

HGGC Completes Acquisition of Leading Insurance Broker PCF, Building on Successful Insurance Track Record

HGGC's Expertise and Resources to Accelerate Company's M&A Growth Strategy

PALO ALTO, Calif. – April 1, 2020 – HGGC, a leading middle market private equity firm, today announced that it has completed the acquisition of PCF Insurance (“PCF”), a full-service insurance brokerage firm that provides complete risk management and employee benefits solutions. Management, employee owners, and existing investor BHMS Investments have retained minority stakes in PCF. Terms of the private transaction were not disclosed.

Founded in 1987 and headquartered in Woodland Hills, Calif., PCF has become a leading retail insurance brokerage with a diverse offering of commercial lines, personal lines, and employee benefits products. PCF currently has over 400 employees across the US and serves more than 40,000 customers.

“PCF’s mix of diversified customers, blue-chip carriers, scalable financial profile, and strong leadership have fueled its fast growth in the attractive insurance brokerage space,” said Steve Young, HGGC Co-Founder and President. “Our proven ability to partner with portfolio companies to help them scale and drive strategic acquisitions will support PCF in building on its existing success, which includes growing more than 17x since 2017.”

Acquisitions have been key to PCF’s growth, as it has executed an aggressive M&A strategy by completing 18 add-ons since 2018 and expanding outside of California into New York, Illinois, Nevada, Colorado, Arizona, Kansas, Kentucky, and Florida.

“We are excited to partner with HGGC and leverage their experience and support during this next phase,” said PCF Founder, CEO and Chairman Peter Foy. “I am confident that, together, we will be able to continue to execute our strategy and accelerate our growth in this attractive market.”

In addition to M&A, there is a tremendous opportunity for PCF to further build out the platform and continue to grow organically by leveraging its strong producer base and blue-chip carrier relationships.

“HGGC’s deep insurance and M&A experience makes them the ideal financial partner for PCF’s next chapter,” said Kevin Angelis, Managing Partner at BHMS. “We are thrilled to reinvest alongside them.”

HGGC has invested behind and supported the immense growth achieved at Davies Group and Integrity Marketing Group, two of its insurance services portfolio companies. Davies, a UK-based provider of tech-enabled insurance services to highly regulated industries, completed 17 acquisitions and quintupled revenues in three years, while Integrity has grown to be the leading distributor of senior life and health products in the US, placing \$2.5 billion in premiums and recording 8x earnings growth since HGGC’s investment in July 2016.

“We believe the key to success in the insurance services space is strong leadership and smart M&A. We are excited to build on our successful track record with Davies and Integrity,” said John Block, Partner at

HGGC. “The commercial brokerage market is large and stable, with significant room for consolidation despite increased M&A activity in recent years. Couple that with PCF’s impressive financial profile and best-in-class producer and customer retention, and we believe we have a strong formula for success.”

Waller Helms Advisors acted as the buy-side advisor to HGGC while Sica Fletcher and TAG Financial Institutions Group acted as sell-side advisors to PCF.

About HGGC

HGGC is a leading middle-market private equity firm with \$4.3 billion in cumulative capital commitments. Based in Palo Alto, Calif., HGGC is distinguished by its Advantaged Investing approach that enables the firm to source and acquire scalable businesses through partnerships with management teams, founders and sponsors who reinvest alongside HGGC, creating a strong alignment of interests. Over its history, HGGC has completed more than 150 platform investments, add-on acquisitions, recapitalizations and liquidity events with an aggregate transaction value of over \$25 billion. More information, including a complete list of current and former portfolio companies is available at www.hggc.com.

About PCF

Founded in 1987 and headquartered in Woodland Hills, CA, PCF is a full-service insurance brokerage firm which provides complete risk management solutions with a broad array of property & casualty, life and health, employee benefits and workers' compensation insurance products. Additional information can be found at www.pcfinsuranceservices.com.

About BHMS

BHMS Investments, LP ("BHMS") is a private investment firm focused on the North American middle market. The firm was founded in 2010 and is based in Westport, CT. BHMS invests in a wide variety of control and structured equity opportunities ranging from consolidation strategies to conventional leveraged buyouts to companies in financial distress. The firm focuses on industries in which it has deep experience and relationships including Business & Healthcare Services and Insurance & Insurance services. BHMS is currently deploying capital from its most recent fund, which it raised in 2017. More information is available at www.bhmsinvestments.com.

Media Contacts:

For HGGC:

Eddie de Sciora
Stanton
edesciora@stantonprm.com
646-502-3538

For BHMS:

Justin Gaines
BHMS Investments
jrg@bhmsinvestments.com
646.397.4422