

2021 Q2

Allstate Agency Value Index- 2021 Q2

Agency Values Increase

Allstate Agency Price to 12MM Earned Premium Ratio (National Average)						
	2017	2018	2019	2020	2021 1st QTR	2021 2nd QTR
\$0 to \$2,000,000	0.232	0.226	0.216	0.168	0.155	0.140
\$2,000,001 to \$4,000,000	0.25	0.256	0.252	0.226	0.197	0.238
\$4,000,001 and up	0.278	0.299	0.274	0.249	0.228	0.253
Simple Average	0.253	0.261	0.253	0.233	0.209	0.233
Low	0.118	0.135	0.140	0.100	0.15	0.100
High	0.362	0.365	0.358	0.322	0.276	0.322
Average Earned Premium	\$3,099,030	\$3,202,644	\$3,638,959	\$4,102,072	\$4,614,481	\$3,673,382

Allstate agency values for the two largest size groups increased in the second quarter of 2021.

Three things to consider when trying to understand the value increase in Q2 2021:

1. All acquisitions in Q2 were executed in advance of the substantial compensation plan modification announced June 22, 2021, denying buyers the opportunity to factor comp change into their buying decision process.
2. Terminations seem to have slowed down in Q2 which resulted in fewer distressed sales at or near TPP value.
3. An unusually high number of better-than-average agencies sold in the second quarter. Based on what we have seen, the most likely explanation for this is that many seasoned agents decided to sell prior to agency segmentation guidelines being outlined.