A broking book is worth what renews with you.

Before the multiple — before the client list, before the numbers — establish what you are actually buying. An insurance broking business changes hands three ways, and they are three different transactions with three different licences, three different risks and three different prices.

AUTHORISED REPRESENTATIVE PRACTICE
you trade under someone else's AFSL

Typically the lowest entry price and the fastest start: no licence application. But the licensee's agreement decides what you can place, what you pay the network, and whether the clients are yours to sell. Read the transfer and termination clauses before the financials.

Harder to fund. The agreement is the asset.

LICENSED BROKERAGE
own AFSL · share sale

The licence, the insurer agencies, the staff, the systems and the trust account arrive together. Strongest continuity for clients and lenders. You also inherit the history: the professional indemnity tail, complaints, breach reports, staff entitlements, and every promise the vendor made.

Strongest funding. Continuity is the security.

THE BOOK ALONE
an asset sale into your existing licence

Client portfolio and renewals transferred across; liabilities stay behind. Every client must consent to move, and retention is your risk from day one. Priced on recurring income, and only sensible when you already run the platform it lands on.

Clean liabilities. Price it with an earn-out.

The benchmark that connects them

Renewals are the business. AUB Group's network retains about **94% of brokered policies** from one year to the next, even through the premium rises of the last five years. Treat 94% as the line: a book claiming more with no lapse report is untested, and one below 90% has a reason you need to find. Ask for the lapse report before you look at anything else.

THE INDUSTRY, IN FOUR NUMBERS

About **$24.0 billion** across **5,402 businesses** — roughly **$4.5 million** each with 4 staff. Industry profit of $6.7 billion works out near **$1.2 million per business**. Margin sits at **27.7%** and has **risen 3.8 points in five years** — among the widest in this series, and the most overstated: 44% of businesses are sole proprietors who pay themselves from profit. See page 6.

The rebuild — illustrative, a $1.5m brokerage	Amount
Recurring brokerage income, renewals only	$1,500,000
Vendor's earnings (EBITDA), as presented	$600,000
Principal broker at market wage plus super	– $150,000
Insurer profit-share that does not transfer	– $45,000
First-year lapse at 6% (the 94% line)	– $90,000
Network fees, PI and platform at your terms	– $25,000
What the lender assesses	**$290,000**

The vendor drew a wage from profit; the rebuild puts one in. At 3× income the asking price reads $4.5 million; at 7× normalised earnings a valuer reads about $2.0 million, and a lender sizes the debt from the $290,000. The gap is a platform buyer against a machine buyer. Know which you are before you bid.

Which one is for you — honestly

- ☐ **You already hold a licence or an AR appointment, with staff and a system.** Buy the book. Your marginal cost is close to nil, which is why you can meet a consolidator's multiple on income — provided the earn-out shares the retention risk with the vendor.
- ☐ **You are coming in from outside, or from a salaried desk.** You are buying a machine, not a list: a licensed brokerage with staff who hold the relationships, priced on normalised earnings. An AR practice is the cheaper door; read who owns the clients before you walk through it.

THE QUESTION UNDERNEATH ALL THREE

A brokerage's income is two incomes stacked: the **commission** the insurer pays on premium, and the **fees** the client pays the broker. Commission rides the premium cycle — five hard-market years lifted it without adding a client; fees are the part the client chose. A book that grew on rate alone is worth less than its growth suggests, and the rate ride is ending: 1.6% a year to 2031, against 4.9% for the five years just gone.

DO THIS BEFORE YOU OPEN A SINGLE LISTING

Decide which of the three you are buying, then get your capacity assessed for that structure: a book funds on cash flow with no bricks behind it, and the deposit, lender and term differ for each. Knowing what you can settle changes which brokerages you should even look at.

Where does the income come from?

The structural test for a broking book. Three-quarters of industry revenue is commercial clients, and that is where brokers hold their ground; personal lines are where direct insurers and comparison sites compete on price — and the two are worth very different multiples of the same commission.

COMMERCIAL LINES
liability, ISR, indemnity, cyber, commercial motor

74.4% of industry revenue. Complex risks, broker-placed, fees on top of commission. The industry's strongest position, and the one consolidators pay for.

Sticky. Check the concentration.

PERSONAL LINES
home, contents, private motor

25.6% of revenue is private clients. Premiums have risen with house and car values, but aggregators and direct insurers compete here on price, and retail clients move.

Price-sensitive. Check the retention.

LIFE, HEALTH AND STRATA
regulated remuneration

Life commissions are capped under ASIC's 2017 instrument; health insurers are cutting out intermediaries; strata broking is under conflict-of-interest scrutiny since 2024.

Price it separately. Read the rules first.

The three numbers, by policy, three years

- ☐ **Retention** — policies and income renewed as a share of those due, by class and by client, not one blended figure. The network benchmark is about 94%.
- ☐ **Rate versus count** — how much of the income growth came from premium rises and how much from new clients. Five hard-market years flatter every book on the market.
- ☐ **Income by source** — commission, broker fees, insurer profit-share and volume bonuses, premium-funding commission, interest on the trust account. Only commission and fees follow the client; the rest follow volume, the funder or the bank.
- ☐ **Concentration.** The top ten clients as a share of income, and the largest insurer or underwriting agency as a share of premium placed. Either above a third is a finding.
- ☐ **By month, not year.** Renewal dates cluster. An annual total hides a June that carries half the book, and the first renewal season under your name.

What to ask, and what to look at

- ☐ **Who holds the licence, and what does their agreement say about a sale?** An AR appointment ends on change of control unless the licensee consents; some agreements give the licensee first refusal, or a claim on the clients.
- ☐ **Which network, and what does it cost to stay or leave?** Steadfast, AUB and Envest brokers hold 96.6% of industry revenue as IBISWorld measures it. Membership brings markets, systems and buying power, and an exit clause.
- ☐ **Who do the clients ring?** If the answer is the vendor, from a mobile, that is the relationship you are buying, and it walks unless the restraint and the handover hold.
- ☐ **What is in the trust account?** Client money held under section 981B must reconcile to the cent. A deficit is not a bookkeeping problem; it is a licence problem.
- ☐ **Read the complaints and breach registers.** Three years of complaints, any AFCA determination, every reportable breach lodged with ASIC. Then the PI policy and its claims history.

SIT BESIDE THE RENEWAL DESK FOR A WEEK

Watch how a renewal is handled from invitation to bound cover. Re-marketed with three quotes and a written recommendation is a broker; rolled over on the expiring insurer with a fee added is an administrator. Clients who ask for "their" broker by name are the goodwill. A week at the renewal desk answers the retention question better than any spreadsheet.

TWO SEARCHES, TEN MINUTES

Search the **AFSL and every authorised representative** on ASIC's professional registers: status, conditions, bannings. Then search **AFCA's published determinations** and ASIC's media releases for the business and its principals. Ten minutes, and it has ended deals.

The 12 deal-killers.

Run every book you look at past the list. One is a negotiation. Three is a walk. Anything touching the licence or the client consents counts double, because it decides whether the deal can be funded at all.

1 **Retention you cannot see.** No lapse report by policy, or a blended figure with no class or client detail.

> → **Three years of lapse data as a condition. No data, no offer.**

2 **Growth that is all rate.** Income up 30% while the policy count stood still; the hard market did the work.

> → **Rebuild the income at flat premiums. Price the count, not the cycle.**

3 **Ten clients carrying the book.** The top ten above a third of income; one loss is a bad year.

> → **Meet the top ten before exchange. Earn-out on their retention.**

4 **Profit-share counted as recurring.** Insurer volume bonuses and network profit-share in the earnings base; they attach to the vendor's volume, not yours.

> → **Strip it out. Value the commission and the fees only.**

5 **The owner's wage is not in the numbers.** Forty-four per cent of businesses are sole proprietors drawing from profit; the margin is not what it looks like.

> → **A principal broker at market wage plus super. Compare like with like.**

6 **The book is the vendor.** Clients ring a mobile; no staff hold relationships; no restraint on offer.

> → **Twelve months' handover, a restraint that holds, and an earn-out.**

7 **A licence that cannot move.** An AR agreement that ends on change of control; licensee consent not sought; a first-refusal clause unread.

> → **The licensee's written consent before the heads of agreement.**

8 **A trust account that does not reconcile.** Client money short, late, or mixed with operating funds.

> → **Twelve months of reconciliations, checked by your accountant. Any deficit: walk.**

9 **Complaints, claims and breaches.** AFCA determinations, PI claims, reportable breaches, or a strata book with undisclosed remuneration.

> → **Registers for three years. Run-off cover priced and in the contract.**

10 **One insurer holding the book.** More than a third of premium with one insurer or agency; an appetite change or a remuneration cut lands on you.

> → **Placement by insurer, three years. Test what moves if the terms change.**

11 **Consents assumed, not obtained.** Clients must be told and can refuse to move to a new licensee; the vendor's letter is not their consent.

> → **The consent process and timetable in the contract; the price falls with refusals.**

12 **A network you cannot afford to leave.** Exit fees, equity buy-backs or system lock-in that make the membership the real vendor.

> → **The network agreement in full. Model staying and leaving.**

WHY RETENTION IS NUMBER ONE

Every dollar you pay is a bet on renewals. IBISWorld's note on barriers to entry says it plainly: new brokers earn little at first because most industry revenue is ongoing commission. That is the moat you are buying, and it is only a moat while the clients stay. A book bought without a lapse report is a book bought blind.

AND THE PROTECTION IS REAL

This is a low-volatility, "blue chip" sector in IBISWorld's grid: mature, defensive, margins near 28%, and three consolidators — Steadfast, AUB, Envest — competing for the same books you are. That competition sets the price, and it is also your exit. Buy a clean commercial book with real retention and you own an asset the biggest players in the market want.

Score it — one column per book you inspect

1 ______	2 ______	3 ______	4 ______	5 ______	6 ______
7 ______	8 ______	9 ______	10 ______	11 ______	12 ______

Score them side by side.

You will look at several. Fill this in the same week you see the data room — the brokerage with the most likeable principal is rarely the one that stacks up best on paper. Note the structure first: vendors usually prefer a share sale for tax, buyers an asset sale for liabilities, and the price should show who gave way.

	Book A	Book B	Book C
Structure — AR practice / licensed brokerage / book alone			
Asking price, and the multiples it implies (× income and × earnings)			
Recurring income, split by source			
Retention — policies and income, three years			
Rate versus count — growth at flat premiums			
Top ten clients, as % of income			
Commercial / personal / life split			
Largest insurer or agency, as % of premium			
Licence, network and agencies — transferable, on what terms			
Staff who hold the relationships — staying, restrained			
Complaints, claims and breaches — three years			
Deal-killers found — how many			

When one stacks up — ask for these five

- ☐ **The policy register** — every policy: client, class, insurer, premium, commission rate, fee, inception year and renewal date
- ☐ **Financials and tax returns** — three years, with **monthly** income by source
- ☐ **The lapse and retention report** — three years, by class and by client
- ☐ **The agreements bundle** — AFSL or AR agreement, network membership, insurer and agency agreements, the PI policy, staff contracts
- ☐ **The compliance file** — trust account reconciliations, complaints register, breach register, AFCA matters

Any one of the five coming back thin, late or heavily qualified is itself a finding.

Do this now, while you're still looking

Get your borrowing capacity assessed **before** you start negotiating — and get it assessed for the structure you are buying. A broking book has no bricks behind it: lending against the business alone typically funds 50–70% of the price, property-backed structures reach up to 100% (deal and policy dependent), and the earn-out and vendor terms change what a lender will carry. Knowing which one you can actually settle changes which books you should even look at.

And when you've found one — over the page.

Send us the pack and our answer — fundable, not fundable, or what's missing — comes back within 24 hours. The next page lists exactly what to send and what you get back.

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Our fee is quoted up front. If the numbers say walk, we'll still tell you to walk.
With gratitude — Priyank

PREVAIL FINANCE

Send the pack. Get an answer in 24 hours.

Funding is decided on the quality of the submission, not only the quality of the deal — and a broking book is bought and financed on cash flow, with no property behind it, so the file has to prove the renewals. Send these to **priyank@prevailfinance.com.au** and within 24 hours you have our answer: fundable, not fundable, or what's missing. Once you accept our quote, your written Action Plan follows within one business day.

Priyank Thakkar

Chief Vision Officer & Finance Broker. Former bank lending manager and commercial credit analyst.

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With gratitude

About the business

- ☐ The five documents from page 4
- ☐ The information memorandum, and how the asking price was built
- ☐ **Monthly** income by source, three years
- ☐ The adjusted earnings worksheet, evidenced line by line
- ☐ The licensee's or network's written position on the transfer
- ☐ Staff list with contracts and restraints, and the vendor's handover terms
- ☐ The proposed earn-out or retention adjustment

About you

- ☐ Two years' tax returns and notices, plus entity financials
- ☐ Assets and liabilities, with an equity source
- ☐ Six months' loan statements, three months' transactions
- ☐ Photo ID and your broking background: RG146 or equivalent, years in the industry, current AFSL or AR status
- ☐ A short work history — credit assesses **your** capacity too
- ☐ Proposed buying entity, licence pathway and transition plan

Why the pack decides the outcome

Complete pack everything, first time	→	**One clean submission** the story holds together	→	**Credit reads it once** confidence, not questions	→	**Room to negotiate** gearing, pricing, exceptions
Partial pack sent in pieces	→	**Questions, then re-work** days lost each round	→	**Credit reads it twice** doubt attaches to the file	→	**Conditions and delay** and a finance clause running out

Same deal, same buyer, same lender. The only variable is what arrived in the first email — and it moves the terms, not just the timeline.

Within 24 hours of a complete pack: fundable, not fundable, or what's missing — in writing. Once you accept our quote, within one business day:

- ☐ Your written Action Plan — what happens, in what order
- ☐ The funding pathway scoped for this structure
- ☐ An indicative pricing band
- ☐ The finance clause date your contract needs
- ☐ Pre-approval prepared, ready when you say so

Then what we do with it

- ☐ **Maximise the funding** — normalised earnings and the retention story presented the way cash-flow lenders assess them
- ☐ **Solve the structure** — book, brokerage or AR practice, and the earn-out that shares retention risk with the vendor
- ☐ **Argue the exceptions** — the case put directly to the decision-maker
- ☐ **Structure the entity** — company, trust or a partnership with a network, and the vendor-finance layer if the lender's number and the price disagree

Source: IBISWorld, *Insurance Agents & Brokers in Australia* (K6420), July 2026

The numbers behind the sector.

What the industry research says about size, profit, cost and where the money comes from — distilled to what a buyer needs. All figures from IBISWorld's July 2026 report unless stated.

Headline	Figure	5-yr trend
Industry revenue	$24.0bn	+4.9% p.a.
Businesses	5,402	−0.9% p.a.
Revenue per business	$4.5m	+5.9% p.a.
Profit per business	$1.2m	—
Profit margin	**27.7%**	**+3.8 pp**
Employees per business	4	+0.5% p.a.
Average wage	$135k	—
Forecast revenue growth	1.6% p.a.	to 2030–31
Revenue volatility	Low	"blue chip"

WHAT THAT MEANS FOR A BUYER

A margin story built on premiums. Revenue rose 4.9% a year and profit 8.1% a year for five years because insurers raised prices and commissions rode along — IBISWorld calls it "a short-term sugar hit". The forecast is 1.6%. Buy on the count of clients, not the run-rate of the cycle.

Where the dollar goes — cost structure, % of revenue

Depreciation 6.3%, utilities 2.9% and rent 1.5% sit between wages and other costs. "Other" is selling, general and administrative: professional fees, marketing, reporting and professional indemnity insurance.

Where the revenue comes from

By product	Share	By market and place	Share
Commercial general	49.9%	Commercial clients	74.4%
Private general	30.0%	Private clients	25.6%
Life insurance	12.8%	Businesses in NSW	35.5%
Health and other services	7.3%	Businesses in Victoria	25.9%

Who the revenue sits under — the networks

Network	Revenue	Share
Steadfast (ASX-listed; OAMPS)	$12.8bn	53.2%
AUB Group (150+ partner brokers)	$6.1bn	25.5%
The Envest Group (Ardonagh)	$4.3bn	17.9%
Everyone else	$817m	3.4%

Member brokers are counted under their network (premium revenue only, IBISWorld notes). The book you are looking at is almost certainly inside one of these three, and its membership agreement is part of what you buy.

GEOGRAPHY

NSW holds **35.5% of businesses** against 31.2% of population; Victoria 25.9% (25.7%); Queensland 19.4% (20.6%). The eastern seaboard's floods, fires and cyclones push premiums, commissions and demand for advice — the report singles out Queensland as **"ripe for broker expansion"**. Regional branches are closing in favour of central online servicing: a regional book with a real office has fewer competitors, and fewer buyers.

THE BALANCE SHEET SHAPE

Debt to net worth is **0.30** and interest is covered about **11 times**. Cash and equivalents are around **41% of assets**, and much of it is client money held in trust that is not yours to count. Nothing here is bricks. A lender secures the renewal stream, the restraint deed and the buyer, which is why the file matters more than in any property-backed deal in this series.

THE WAGE LINE IS DOING THE WORK

Wages have fallen from 20.2% of revenue in 2009–10 to **12.2% in 2025–26**, and are forecast near 11% by 2031–32 as revenue per employee passed $1.1 million. Part of that is technology; part is the 44% of businesses whose owner is paid from profit, not wages. The question for a buyer is which did the work in the brokerage in front of you: a system that will keep doing it, or a principal who will be gone in twelve months.

 Percentages are IBISWorld's industry averages for 2025–26 and are not a forecast for any single business.

What is moving the market.

Seven forces the research identifies, and what each one means for the price you pay and the book you choose.

1 · FIVE HARD-MARKET YEARS SET THE PRICES

Natural disasters, reinsurance costs and rising asset values pushed premiums up, and commissions rose with them: industry revenue **up 4.9% a year**, profit 8.1% a year, margins near 28%. Every book on the market carries that tailwind. The forecast is **1.6% a year to 2030–31**. Pay for the clients, not the cycle.

2 · THREE NETWORKS, AND THE ACCC

Steadfast (**53.2%**), AUB (25.5%) and Envest (17.9%) hold 96.6% of revenue as IBISWorld counts it, member brokers included. Steadfast is acquiring PSC Connect and Resilium from Envest in 2026. The ACCC's merger notification regime, live since **January 2026**, adds friction to network deals — more books may reach mid-market buyers.

3 · COMMERCIAL IS THE MOAT

Brokers hold their share in commercial lines, **74.4% of revenue**, where risks are complex and advice is paid for. Retail clients are moving to direct insurers and comparison sites; some commercial clients now research with AI before they ring a broker. A book weighted to mid-market commercial clients is worth more than one weighted to home and motor.

4 · CYBER AND AI LIABILITY ARE THE GROWTH LINES

The Insurance Council estimates only **20% of SMEs** hold comprehensive cyber cover; Allianz's 2026 barometer has cyber as a top-three risk for 48% of businesses, with AI liability newly on the list. A book already selling these lines has a growth story a lender can read; one that is not has the gap to sell into.

5 · THE RETAIL DOOR IS CLOSING

Aggregators, direct insurers and bancassurance are taking the standard policies: home, motor, health, life. IBISWorld rates substitutes **"moderate and increasing"**. The same technology cut the industry's wage bill to 12.2% of revenue. A personal-lines book without a cheap system to service it is the wrong end of the market.

6 · REGULATION IS THE FLOOR

An AFSL under the Corporations Act, ASIC oversight, AFCA's binding determinations, life commission caps under ASIC's 2017 instrument, and the NIBA Code of Practice, now under review. The 2024 Four Corners strata investigation put undisclosed remuneration on the agenda; Steadfast brokers about **40% of strata policies**. Compliance is what the licence is worth.

7 · DISASTERS DRIVE DEMAND — AND UNDERINSURANCE

The cost of natural disasters is a **positive driver** in the model: after each event, premiums and advice-seeking rise. The limit is affordability: just under 6% of Australian homes were uninsurable in 2025, and household weather-risk costs are projected at $2,500 a year by 2050. Clients who cannot afford cover do not renew. Check the book's exposure to the postcodes insurers are leaving.

The renewal calendar, book by book. Commercial renewals cluster around financial-year and calendar-year dates in many books; personal lines spread. Ask for the calendar by month and set settlement deliberately: after a cycle has renewed under the vendor's name, with the earn-out watching the next one.

THE FIVE-YEAR FORECAST, IN ONE TABLE

IBISWorld forecast, in 2026–27 dollars	2025–26	2030–31	Direction
Industry revenue	$24.0bn	$26.0bn	+1.6% a year
Businesses	5,402	5,344	fewer, larger
Wages as a share of revenue	12.2%	11.2%	falling
Industry value added as a share of revenue	46.2%	40.5%	falling six points

The research expects the sector to give back part of the hard-market margin while consolidation continues. Model your earn-out and your debt service on the lower line, not the last five years' curve.