

The Vertafore Acquisition and Agents

By Jason Walker

Roper Technologies will acquire Vertafore for \$5.35 billion. This development has created excitement for industry media outlets and on social media channels, so let's take the opportunity to consider the implications of the transaction for insurance agents.

First, it is important to temper the excitement by acknowledging some fundamental practices of private equity (PE) firms. Typically, PEs compile an investment portfolio with companies that have high growth potential but require additive capital, management discipline, and time to uncover accretive value. Upon reaching fund maturity and hopefully exponential performance success, PEs seek an exit to realize their financial return.

According to [Insurance Journal](#), Vertafore has undergone similar change two times in the past ten years. Prior to Roper Technologies, Vertafore was acquired by TPG Capital in 2010 and Bain Capital and Vista Equity in 2016. In the PE world, this type of activity is more in line with business as usual than an element of surprise.

However, in the insurance industry—and especially for agents—there is quite a bit implied by the acquisition and its commentary on the outlook of the distribution channel.

In her recent company press [release](#), Vertafore CEO Amy Zupon states that the new marriage with Roper Technologies means Vertafore “can accelerate our commitment to helping our customers further modernize their operations.”

The emergence of new technology for insurance agencies has continued to grow year over year. In addition to Vertafore, we have witnessed an onslaught of recent strategic acquisitions that seem to amplify and multiply Zupon's intent for enabling agents with digital tools.

Insurance Technologies Corporation (ITC), an Accel-KKR portfolio company, acquired both Smart Harbor and Agency Matrix in the past twelve months to diversify its customer base and suite of web-based solutions that extends to thousands of insurance agencies. In May, Aurora Capital added to its agent-friendly solutions lineup—that is already home to Zywave—by acquiring FMG Suite, which includes Agency Revolution.

Through these transactions, the notion of “alive and well” is personified. Agencies are experiencing a massive marketing, sales, and servicing shift towards technology enablement that satisfies the immediate needs of their customers. Institutionalized investments in both startups and tenured businesses that cater to agents—even in uncertain times—validates the perpetuation of the channel through ingenuity and innovation.

The Vertafore acquisition serves as another cue for the direction of the industry. Technology that promotes a human plus digital approach to the customer lifecycle, supporting agents in their efforts to provide a personalized experience, is becoming the standard. As long as we continue to read sensational headlines marked by the exchange of millions and billions of dollars, the proverbial “tip of the hat” is yet again extended to the driving force at the epicenter of all the activity: agents.