



**MICHAEL WHITE ASSOCIATES**  
BANK INSURANCE CONSULTANTS

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P R E S S R E L E A S E

## Michael White Bank Insurance Brokerage Report: Two-Thirds of Million-Dollar Bank Agencies Increase Revenues through 3 Quarters

**FOR IMMEDIATE RELEASE** – Radnor, PA, January 27, 2014 – Bank holding companies (BHCs) tallied \$4.83 billion in insurance brokerage fee income over three quarters of 2013, down 11.7% from \$5.47 billion for the same period in 2012, according to the *Michael White Bank Insurance Fee Income Report*<sup>™</sup>. This decline was largely attributable to a combined drop of \$1.03 billion in the insurance brokerage fee income of Citigroup and Wells Fargo. Had those two BHCs only maintained their production at the 2012 level, the banking industry would have experienced an increase of 7.2% in insurance brokerage revenues. Of 1,068 large top-tier BHCs, 657 or 61.5% engaged in insurance brokerage activities through third quarter 2013.

### TOP 12 BANK HOLDING COMPANIES IN INSURANCE BROKERAGE FEE INCOME YEAR-TO-DATE SEPTEMBER 30, 2013 Nationally

RANK	INSURANCE BROKERAGE FEE INCOME		PERCENT CHANGE 2012 - 2013	BANK HOLDING COMPANY	ST	ASSETS	% OF NONINTEREST INCOME
	3Q2013	3Q2012					
(ALL DOLLAR AMOUNTS IN THOUSANDS)							
1	\$1,140,000	\$1,223,000	-6.79%	WELLS FARGO & COMPANY	CA	\$1,488,047,000	3.70%
2	\$1,037,635	\$914,973	13.41%	BB&T CORPORATION	NC	\$181,047,799	36.01%
3	\$545,000	\$1,494,000	-63.52%	CITIGROUP INC.	NY	\$1,899,207,000	2.30%
4	\$318,000	(\$75,973)	N/A	BANK OF AMERICA CORPORATION	NC	\$2,122,325,000	0.93%
5	\$137,000	\$132,000	3.79%	AMERICAN EXPRESS COMPANY	NY	\$149,746,000	0.66%
6	\$86,590	\$81,872	5.76%	REGIONS FINANCIAL CORP.	AL	\$116,937,255	5.74%
7	\$76,638	\$69,981	9.51%	BANCORPSOUTH, INC.	MS	\$12,930,641	37.87%
8	\$74,000	\$68,000	8.82%	MORGAN STANLEY	NY	\$832,223,000	0.32%
9	\$59,541	\$67,996	-12.43%	DISCOVER FINANCIAL SERVICES	IL	\$75,254,075	3.86%
10	\$57,855	\$58,241	-0.66%	FIRST COMMAND FIN'L SVCS.	TX	\$867,745	36.32%
11	\$55,783	\$54,664	2.05%	FIRST NIAGARA FINANCIAL GRP.	NY	\$37,336,264	20.99%
12	\$52,860	\$52,071	1.52%	HUNTINGTON BANCSHARES, INC.	OH	\$56,290,715	7.30%

Source: *Michael White Bank Insurance Fee Income Report*<sup>™</sup>

Compiled by Michael White Associates (MWA), this report measures and benchmarks the banking industry's performance in generating insurance brokerage and underwriting fee income. Results are based on data from all 6,891 commercial banks, savings banks and savings associations and 1,068 top-tier bank holding companies and thrift holding companies (defined as those BHCs with consolidated assets of \$500 million or greater) based upon financial information reported as of September 30, 2013. Certain thrift holding companies, such as those that are historically insurance companies, have been excluded from this report in order to better understand the insurance performance of financial institutions that historically have engaged in significant banking activities. Bank holding company insurance brokerage fee income consists of commissions and fees earned by a bank holding company or its subsidiary from insurance product sales and referrals of credit, life, health, property, casualty, and title insurance.

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“We examined 186 BHCs at the end of the third quarter that were on track to earn \$1 million in annualized insurance brokerage income. At quarter’s end, 123 or two-thirds of these BHCs (66.1%) showed positive growth in their YTD 2013 insurance brokerage income, up 18.3% from 104 BHCs with positive growth at the end of third quarter 2012,” said Michael White, President of MWA. “The number of big winners, i.e., those bank holding companies with double-digit increases in insurance brokerage compared to 2012, rose 10.7% from 56 in 2012 and by 63.2% from 38 two years ago to 62 BHCs so far in 2013. These findings signal continued revenue growth among the majority of million dollar BHC-owned insurance agencies and increase in their double-digit growth.”

As of September 30, 2013, Wells Fargo & Company (CA) topped the leader board with insurance brokerage earnings of \$1.14 billion, down 6.8% or \$83 million. BB&T Corporation (NC) ranked second nationally with \$1.04 billion; and Citigroup Inc. (NY), whose insurance income dropped \$949 million or 63.5%, ranked third with \$545.0 million in insurance brokerage revenue.

Bank holding companies over \$10 billion in assets continued to have the highest participation (81.7%) in insurance brokerage activities. These BHCs produced \$4.10 billion in insurance fee income in the first three quarters of 2013, down 14.5% from the \$4.80 billion they produced YTD in 2012. This decline was largely attributable to Citigroup and Wells Fargo. Had those two BHCs maintained their 2012 production, this asset class would have experienced an increase of 7.0% in insurance brokerage revenues. These large bank holding companies accounted for 84.9% of all BHC insurance brokerage fee income earned thus far in 2013.

Among BHCs with assets between \$1 billion and \$10 billion, leaders in insurance brokerage income at September 30, 2013 included Eastern Bank Corporation (MA), Stifel Financial Corp. (MO), Old National Bancorp (IN), Tompkins Financial Corporation (NY), and Lauritzen Corporation (NE). Participating in insurance brokerage at a rate of 63.7%, these mid-sized BHCs registered a 12.5% increase in insurance brokerage income from \$493.1 million YTD in 2012 to \$554.7 million YTD in 2013.

Among BHCs with assets between \$500 million and \$1 billion, leaders were First Command Financial Services, Inc. (TX), Oneida Financial Corp. (NY), Two Rivers Financial Group, Inc. (IA), Texas Independent Bancshares (TX), and Evans Bancorp (NY). As a group, BHCs of this size experienced a 2.3% decrease in their third quarter YTD insurance brokerage income from \$178.2 million in 2012 to \$174.1 million in 2013.

The smallest community banks, with assets less than \$500 million, were used as “proxies” for the smallest BHCs, which are not required to report insurance brokerage income. Leaders among bank proxies for small BHCs were Soy Capital Bank and Trust Company (IL), Benchmark Bank (TX), First State Bank (IA), First Federal Savings Bank (PA), and Midwest Heritage Bank, FSB (IA). These small banks, representing small BHCs, registered a very slight (0.2%) increase in insurance brokerage income, going from \$121.2 million in YTD 2012 to \$121.5 million in YTD 2013.

Among the top 50 BHCs nationally in insurance brokerage concentration (i.e., insurance brokerage income as a percent of noninterest income), the median Insurance Brokerage Concentration Ratio was 39.0%. Among the top 50 small banks in insurance brokerage concentration that are serving as proxies for small BHCs, the median Insurance Brokerage Concentration Ratio was 64.5% of noninterest income.

Among the top 50 BHC leaders in insurance brokerage productivity (i.e., insurance brokerage income per BHC employee), the median Insurance Brokerage Productivity Ratio was \$16,577 per employee at the end of three quarters (or an annualized Productivity Ratio of \$22,101). Among the top 50 small banks in insurance brokerage productivity, the median Insurance Brokerage Productivity Ratio was \$18,259 per employee (or an annualized Productivity Ratio of \$24,344).

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**Michael White Associates** (MWA) is a bank insurance consulting firm headquartered in Radnor, PA, and at [www.BankInsurance.com](http://www.BankInsurance.com). The annual *Michael White Bank Insurance Fee Income Report*<sup>™</sup> and *Michael White-Securities America Report: Community Bank Investment Programs*<sup>™</sup> provide, respectively, comprehensive analyses of bank insurance brokerage and community bank investment programs. Additionally, the *MWA Fee Income Ratings Reports*<sup>™</sup> compare, rank and rate a particular financial institution's insurance or other noninterest fee income program nationally, regionally, statewide and in its asset-peer group. Copies of MWA reports can be ordered by calling (610) 254-0440, or by visiting [www.BankInsurance.com](http://www.BankInsurance.com).

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