



A-Plan

Business description

A-Plan is a leading UK-based distributor of motor and household insurance policies to SMEs and individuals. It also specialises in a number of high-net worth and commercial niches, and in providing policies for foreign speaking customers. The company currently operates 73 high-street branches nationwide, and serves over 580,000 policyholders.

Why did we invest?

The Hg Services team identified the insurance broking sub-sector as attractive for potential investment in 2011, as it is characterised by businesses with high levels of recurring revenues, providing a non-discretionary purchase for customers, with high cash flows and opportunities for bolt-on M&A. A-Plan was identified as part of this market mapping exercise, and had been tracked by the team for three years prior to our investment in the business. The company has a high-touch, service-oriented approach leading to best-in-class levels of customer satisfaction driving high retention rates and low customer acquisition costs due to a high referral rate.

How do we intend to create value?

Hg intends to support A-Plan's experienced management through organic growth of its current business volumes in the existing branches and assisting with the roll-out of new branches. There are additionally potential opportunities for further growth through selective M&A and new product lines.

How will we crystallise value?

The most likely exit route is to a private equity or trade buyer.