Felipe Vázquez Acedo, Rafael Fernández and Boris Urquizu

Insurance Brokerage M&A in Spain: 2025 Deal Insights

The Spanish insurance brokerage market is undergoing an accelerated consolidation process driven by the confluence of multiple factors: competitive advantages of scale, generational succession challenges among independent brokers, substantial private equity investment, heightened competitive pressure and growing regulatory and technological requirements.

Spain has positioned itself as one of the most active markets in Europe. This transactional intensity reflects not only the attractiveness of the Spanish market, but also a fundamental reality: for many independent brokers, the strategic dilemma is increasingly binary: invest heavily to achieve professionalisation or seek integration with a larger platform.

The market is clearly evolving from a volume-driven consolidation phase toward a more selective and execution-focused environment, where integration capabilities, talent retention and client continuity are the primary determinants of long-term value. For acquirers, sustainable value creation depends less on the number of transactions closed and more on disciplined execution, robust legal structuring, and the protection of human capital and client relationships.

1. Europe

Against a backdrop of declining overall M&A volumes, **insurance brokerage has emerged as a high-performing sector that stands out despite broader market slowdowns**. Within a stable, mature and profitable insurance sector, brokers benefit from asset-light, low-capital models, recurring revenues and lasting client relationships, while offering significant long-term growth potential.

Fragmentation and consolidation

Most continental European brokerage markets remain highly fragmented. Spain is particularly atomised, thus creating ideal conditions for consolidation strategies. As a result, competition for attractive targets has intensified, placing upward pressure on valuations.

Increased selectivity and private equity (PE) discipline

Private equity continues to lead M&A activity in the insurance intermediation market, but investors are now more selective and strategic. Beyond financial returns, sponsors prioritise sustainable organic growth, experienced and stable management teams, integration and execution capability and cultural and operational alignment.

Reverse due diligence

Conducting reverse due diligence on prospective purchasers has become essential for vendors seeking to evaluate the risk that a transaction may be delayed or fail to complete.

"Build-up" approach

Acquiring a sizable platform and expanding through add-on deals remains the preferred model for value creation.

Digital and technological transformation

Artificial intelligence (AI), data analytics, and process automation are reshaping the brokerage sector, enhancing efficiency, reducing costs, and boosting productivity across the value chain.

2. Spain in focus: a consolidation hotspot

Pursuant to data from the Spanish General Directorate of Insurance and Pension Funds (DGSFP), the number of registered insurance distributors in Spain fell to **57,467 in 2024**, a year-on-year reduction of 2,566. This decline reflects accelerating consolidation and market exit by smaller intermediaries. In parallel, **149 filings for acquisitions of significant shareholdings** were submitted to the DGSFP in 2024, highlighting the intensity of M&A activity.

A. Structural drivers

Generational succession pressure

The average age of brokerage owners is approaching retirement. Succession planning remains underdeveloped, particularly in family-owned firms.

Increased regulatory requirements

Increased regulatory requirements resulting from the transposition of the Insurance Distribution Directive (IDD) have raised compliance costs and operational complexity. These requirements include training obligations, customer protection duties, enhanced information requirements, and conduct of business rules applicable to the distribution of insurance-based investment products. Smaller brokers are disproportionately affected, thereby favouring scaled platforms.

Technology and digital investment

Technology and digital investment, automation and client platforms have become essential to remain competitive. Small brokers often lack the capital or expertise required to keep pace.

Insurer preferences

Carrier-side consolidation has reinforced insurer preferences for larger, diversified distribution partners with professional governance and risk management capabilities.

Scale has become a strategic imperative, not only for operational efficiency and profitability, but also for market relevance, negotiating leverage with insurers, and long-term sustainability.

B. Strategic crossroads for brokers and main integration challenges

Spanish brokers face a decisive choice to:

- **remain independent,** accepting rising regulatory and competitive pressure;
- **lead consolidation**, raising capital to acquire competitors; or
- **integrate**, joining a larger platform with access to resources and scale.

For those choosing integration, **alignment in business vision, client service models, and culture is critical**. Phased integration preserves client relationships, minimises disruption, and retains key teams. Accelerating changes too quickly can damage client relationships and disrupt the relationship-driven nature of insurance distribution. Likewise, ignoring the service-oriented culture in brokerage businesses can undermine staff engagement and client trust.

A proper client and brand strategy is also key. Client-facing teams and acquired brokerage brands should be maintained to preserve trust, market recognition, and policyholder relationships. Dual branding can signal enhanced capabilities while respecting legacy relationships. Failing to inform clients and key account managers promptly and accurately can lead to lost policies and client attrition.

3. Spain. Common considerations for due diligence

Whilst each transaction demands comprehensive and independent due diligence, brokerage acquisitions present characteristic risk patterns that merit heightened attention:

Early disclosure

Vendors should undertake a thorough disclosure process and formulate a considered approach for addressing identified matters, preferably in advance of any enquiry from the purchaser. In an environment of intensified due diligence and heightened purchaser scrutiny, vendors who established their narrative at an early stage achieved the most favourable outcomes.

Family business dynamics

Related-party arrangements require careful analysis of commercial terms and potential conflicts of interest.

Key employee dependency

Many brokers have high-performing salespeople who generate a large part of the business. Identifying these key employees and ensuring that they remain with the company and that the risk of losing the portfolio is properly protected becomes crucial.

Extensive external collaborator networks

It is essential to review portfolio ownership clauses under the collaboration agreements and economic rights following termination of those agreements. Likewise, from a labour perspective, the risk of employment reclassification (for natural persons) and the risk of becoming a group of companies for labour purposes (for legal entities) must be assessed and mitigated.

Regulatory compliance

Although there is a trend towards professionalisation, there are still brokers (generally small ones) that do not fully comply with insurance distribution regulations. Therefore, buyers must ensure that brokers comply with mandatory training requirements, minimum financial capacity thresholds, separate client accounts, professional liability coverage, information duties and conduct rules, claims management and independence obligations.

Beyond these sector-specific issues, buyers must remain vigilant regarding standard transaction risks including corporate covenants, litigation exposure, contractual commitments, and compliance across all business areas.

4. Spain. Deal-making essentials and trends

Some of the most commonly negotiated topics in share purchase agreements relate to the following matters:

Standardisation

The convergence of several factors, including the adoption of AI-driven tools, the consolidation of high-value M&A work among a cohort of practitioners, and the increased predictability of jurisprudence governing M&A agreement provisions, has inevitably driven greater concision and uniformity in definitive M&A documentation.

No-shop

Standardised "no-shop" provisions would allow buyers to protect the selected asset from competitors until the purchase agreement is executed.

Divergent valuation expectations

Counterparties routinely commence discussions holding materially divergent assumptions regarding performance outlooks, sectoral recovery timelines and broader economic stability. Numerous transactions proceed to execution only when the parties depart from static pricing models and instead approach valuation as a flexible structuring exercise.

Equity kickers and evolved earn-out mechanisms, both frequently incorporating key-person retention requirements, serve to maintain structural alignment between the parties with respect to future value realisation.

Protecting transaction value

Value is highly mobile, as client relationships and goodwill are closely tied to key persons. Post-contractual restrictive covenants are therefore critical to retain the value of the acquired business. Proper structuring and proportionality are essential to ensure enforceability under Spanish law.

Remediation prior to completion

Pre-closing obligations are nothing new, but due to the professional nature of buyers (large brokerage groups or PE firms), they increasingly require sellers to address contingencies prior to completion.

Mediation: a booming dispute resolution mechanism

Although arbitration remains the preferred forum, we are facing an increase in contracts that include mediation mechanisms. Following the entry into force of Organic Law 1/2025 on Measures for the Efficiency of the Public Justice Service, parties to civil and commercial disputes are now required to attempt an appropriate alternative dispute resolution mechanism before filing a lawsuit before the Spanish courts. As a result, mediation mechanisms not only provide a first opportunity to resolve the dispute amicably, but also ensure compliance with this new procedural requirement, allowing the parties to file a lawsuit should no agreement be reached in the first phase.

5. Outlook for 2026

The consolidation of the Spanish insurance brokerage market continues. While leading acquirers are increasingly selective and integration-focused, the fundamental drivers (succession, increased regulatory and technology requirements and the benefits of scale), remain firmly in place.

For sellers, early preparation and professionalisation are critical to maximising value. For buyers, disciplined execution and integration capability will differentiate winners. In an industry built on trust and long-standing client relationships, where human capital is the core asset, continuity is a key factor in every transaction, making legal structuring essential to maximise deal value.

Contact

Felipe Vázquez Acedo

Partner, Insurance and Reinsurance

fvazquez@perezllorca.com

T. +34 91 432 51 20

Rafael Fernández

Partner, Insurance and Reinsurance

rfernandez@perezllorca.com

T. +34 91 389 01 03

Offices

Europe

Barcelona
Brussels
Lisbon
London
Madrid

America

Bogotá
Medellín
Mexico City
Monterrey
New York

Asia-Pacific

Singapore

Pérez-Llorca App
All legal content

DISPONIBLE EN Google Play
DISPONIBLE EN App Store

perezllorca.com