



**HD** Gallagher announces plans to enter **China** **lv** and acquires in Australia

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Arthur J. Gallagher has announced plans to enter the **Chinese** market after the **company** signed a joint venture agreement with Jiang Tai Insurance Brokers to establish a new Shanghai-based operation, subject to regulatory approval. The agreement sees Gallagher take a 24.9% share ownership. Other terms of the **transaction** were not disclosed.

Expected to launch in the first half of 2015, the new operation, trading as Jiang Tai Re, will focus on reinsurance and specialty lines. Jiang Tai's current president Frank Lu will lead the 25-strong team of experienced, technical insurance professionals.

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Understood to be the first joint venture insurance broker launched in the **China**(Shanghai) Pilot Free Trade Zone, the partnership represents an auspicious and pioneering move for both parties, reflective of their ambition to facilitate diverse economic growth on an international scale.

With this opportunity to develop the **Chinese** specialty insurance market, Gallagher will bring its specialty and reinsurance expertise and intellectual capital, as well as extensive captive management experience from within the wider **group**, to the new venture while Jiang Tai will gain a global footprint from partnering with Gallagher.

Vyviene Wade, International **Commercial** director at Arthur J. Gallagher, comments "Our international expansion strategy is to introduce Gallagher's expertise and capabilities into stable and emerging economies-and the opportunity rarely gets larger or more rapidly emerging than **China**. But we were only prepared to take this ambitious step with the right partner. As one of **China**'s largest insurance brokers with a formidable reputation, incredibly strong client relationships and cultural values aligned to our own, Jiang Tai was the natural choice. It is an honour to partner with such highly regarded professionals as chairman Shen and president Lu as they look to expand their **company**'s interests on the international stage.

We have spent many months building a trusted relationship, learning about our complementary expertise and exploring in detail how we can best bring together our inherent strengths to create a powerful new specialty and reinsurance broker to support **Chinese** businesses as they expand and develop on a global scale."

Speaking of the decision to partner with Arthur J. Gallagher, Shen said "This is an investment we have been planning for some time and it has been of critical importance to choose a partner that has a strong cultural fit with our own. Our delegation has spent a lot of time with the teams at Arthur J. Gallagher & Co., both at the **company**'s international division base in London and its global headquarters in the US, which clearly showed our two organisations enjoy the same ethos and share the same values. We look forward to a strong and successful partnership as Jiang Tai Re."

Gallagher has also announced the acquisition of Blue Holdings based in Brisbane, Australia. Terms of the **transaction** were not disclosed.

Established in 2005, Blue Holdings is an insurance broker and risk management services **firm** that provides retail **property**/casualty and insolvency insurance products and services primarily for its middle-market clients throughout Australia. They also specialize in coverages for the construction, transportation, engineering, mining and professional services industries. Blue's ceo Richard Smith and his associates will continue to operate from their Brisbane, Perth, Sydney, Melbourne and Townsville locations under the direction of Andrew Godden, head of Gallagher's Australian brokerage operation.

"Blue is a good example of how we continue to find new acquisition partners that fit well within our international platforms," said J. Patrick Gallagher, Jr., chairman, president and ceo. "Its strong presence will add to our national brokerage footprint and its national insolvency practice will be a wonderful new niche specialization for us. Blue will be an excellent complement to our Australian operations."

Gallagher has also acquired Instrat Insurance Brokers located in Clayton North, Victoria, Australia. Terms of the **transaction** were not disclosed.

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