



Navacord Announces Management Led Buy Out With The Support Of Madison Dearborn Partners

July 4, 2018

Toronto, Ontario – Navacord Inc. (Navacord), a leading Canadian insurance brokerage, announced today that it has entered into an agreement for a management led buyout of its minority capital partner with the support of Madison Dearborn Partners (MDP), a leading private equity firm based in Chicago. The partnership with MDP will accelerate Navacord's organic growth strategy and help support the addition of future broker partners across Canada.

Navacord was created in 2014 with the idea of bringing together like-minded entrepreneurial brokers with the goal of building a Great Canadian Brokerage. In just four years, Navacord has become a leading national insurance broker with a broad suite of capabilities across commercial property & casualty insurance and employee benefits consulting.

T. Marshall Sadd, Executive Chairman and Co-Founder commented, "Navacord's management team and operating partners are excited about this transaction. MDP is a strong partner with deep insurance services expertise and shares our vision for success and ongoing value creation. Their investment in Navacord validates what we have built. We are looking forward to partnering with MDP to deepen our relationships with our clients, create more opportunities for our employees and continue to grow our company."

"We couldn't be happier with the advancement of our business model over the first four years", said Shawn DeSantis, Chief Executive Officer and Co-Founder. "We have attracted some of the very best commercial brokers in Canada, achieved top-tier organic growth and continue to build out best-in-class talent. Today, Navacord is the fifth largest commercial broker in Canada with 80% of our revenue from commercial insurance and over \$700 million in premium. Our partnership group is young with an average age of 44. These factors, combined with MDP's expertise and a strong pipeline of new broker partners looking to join Navacord, positions us to continue our growth story in the years to come."

"We are excited to partner with Navacord," said Vahe Dombalagian, a Managing Director on the MDP Financial & Transaction Services team. "With our extensive experience investing in this market sector, we will utilize our resources and expertise to help accelerate Navacord's growth and achieve significant long-term value appreciation. Together with Marshall, Shawn and the rest of the Navacord partnership group we look forward to great success in Navacord's next stage of growth."

Terms of the transaction were not disclosed. The transaction is expected to be completed in the third quarter of 2018, subject to customary closing conditions.

Bank of America Merrill Lynch acted as exclusive financial advisor to Navacord. Paul, Weiss, Rifkind, Wharton & Garrison LLP, Felesky Flynn LLP and McBride Wallace Laurent & Cord LLP served as Navacord's legal advisors. Kirkland & Ellis LLP and Stikeman Elliott LLP served as MDP's legal advisors.

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Navacord Broker Partners



About Navacord

Based in Toronto, Ontario, Navacord is a national insurance brokerage offering risk management and consulting solutions including property & casualty, employee benefits, loss control, claims management, surety and personal lines. As one of Canada’s largest commercial insurance brokers, Navacord is the preferred partner for entrepreneurial insurance brokerages seeking to grow while maintaining their unique identity and culture.

Navacord’s business model enables new partners to continue to provide local, personalized servicing of their clients while being supported by the additional expertise, resources and efficiencies of a national brokerage. The company trades under nine different broker partner brands throughout Ontario, Alberta and British Columbia.

About Madison Dearborn Partners

Madison Dearborn Partners (MDP), based in Chicago, is a leading private equity investment firm in the United States. Since MDP’s formation in 1992, the firm has raised seven funds with aggregate capital of approximately \$23 billion and has completed approximately 130 investments. MDP is currently investing out of its most recent fund, \$4.4 billion MDCP Fund VII, in businesses across a broad spectrum of industries, including financial and transaction services; basic industries; businesses and government software and services; health care; and telecom, media and technology services. For more information, please visit mdcp.com

Navacord media requests may be directed to: MDP media requests may be [directed to: Broker Partnership Opportunities

Evergreen Lee,
Marketing Director

416.240.5690
evergreen@navacord.com

Chuck Dohrenwend,
of Abernathy MacGregor

212.371.5999
AbmacMDCP@abmac.com

Shawn DeSantis,
President & CEO

416.240.2055
shawn@navacord.com

T. Marshall Sadd,
Executive Chairman

780.930.3801
marshall@navacord.com