

Insurance firms merge for future

By Geoff Kirbyson

Even though he offers a product that none of his clients want to use, Michael Leipsic believes a newly completed merger leaves his company well-positioned for its second century of operations.

The president of Winnipeg-based insurance brokerage Horizon Insurance has finalized a merger with another local firm, Ryan Gateway Insurance Brokers.

The marriage joins the largest insurance brokerage in the province (Horizon), with the oldest (Ryan Gateway was formed in 1903, two years before Horizon's predecessor firm, Aronovitch & Leipsic.)

Leipsic said the merged entity, which will adopt the Horizon banner, has 18 locations, 195 employees and annual revenues of about \$20 million. (The Ryan Gateway name won't disappear from the business landscape, however, as its six Winnipeg locations will continue under that brand.)

Fifteen years ago, before the first of about a dozen mergers and acquisitions, Horizon had nine people and revenues of less than \$1 million. As the firm has grown, it has significantly increased the size of its retail shelf and the number of manufacturers from which it sources home, travel, health and life



MIKE.APORIUS@FREEPRESS.MB.CA

Horizon president Michael Leipsic (left) and COO Keith Jordan in firm's new digs.

materials than your competitor, you end up being able to provide a better product to your customer and one that is more competitively priced. We recognized we needed to be bigger and more efficient," he said, noting Ryan Gateway's speciality is home and condo insurance.

Leipsic said the insurance business really hasn't changed much since his late grandfather, Louis, used to walk up and down Portage Avenue shortly after the turn of the 20th century asking passersby if they had stock insurance for their investment portfolios. He said with the retail side of the industry dominated by giants such as the Big Five banks, firms with superior customer service will be left standing in the long run.

"We sell a product you can't taste,

never have to use it," he said.

Horizon, which recently relocated its head office from the Grand Park Shopping Centre to 11,000 square feet in a St. James office tower, is also a partner with Nunavut Insurance Brokers in Iqaluit and Rankin Inlet.

Bryan Alsop, president of Ryan Gateway, will remain with the company as a member of its board of directors. He will still be involved with some customer service. He said merger and acquisition activity in the insurance brokerage segment has been on the rise in North America for the past two decades except Manitoba.

"Consolidation has been very slow here over the last 20 years," he said.

Alsop said he believes Horizon will be at the forefront of a growing consolidation movement in the province.