Shore-backed Freestone makes first acquisition with 360 Benefits deal

Shore now owns both a brokerage platform and a benefits technology platform in the same market. Independent mid-market brokers in Chicago should know what that combination means



GROUP BENEFITS

By Mark Rosanes

Aug 26, 2026

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Freestone Insurance Group has acquired 360 Benefits, a Chicago-based employee benefits firm founded in 2014 by Bill Pragalz, giving the Scottsdale-based brokerage a direct Midwest presence to complement its Arizona base. Pragalz will remain as president under the new ownership structure. Financial terms were not disclosed.

Freestone is a benefits brokerage backed by Shore Capital Partners, which took the platform private in June 2025 with geographic expansion and selective acquisitions as stated objectives. The 360 Benefits deal is the first publicly announced add-on since that investment.

360 Benefits serves privately held, middle-market employers across multiple industries in Chicago and the broader Midwest. The firm consults on group health and welfare plans across self-funded, level-funded, and fully insured frameworks - the full spectrum of plan structures that mid-market employers are being asked to evaluate as healthcare costs rise. Freestone chief executive Ben Hayes said the deal fits the firm's strategy to identify and partner with principals who have an appetite for aggressive growth.

The commercial logic behind the price

Employee benefits agencies with revenues of $1 million or more are the highest-multiple insurance category in 2026, trading at nine to twelve times EBITDA, according to CT Acquisitions data. That valuation reflects a specific commercial characteristic: group health books renew at 92% to 96% retention rates, making commission revenue durable across renewal cycles in a way that commercial property and casualty books typically are not.

Retention that high means an acquired book is not a one-time transaction - it is a recurring revenue stream with predictable growth characteristics that PE investors can model against acquisition multiples. The same healthcare cost environment forcing mid-market employers to demand more sophisticated benefits advice is simultaneously making the advisers who supply that advice more valuable to consolidators.

360's focus on middle-market Chicago employers sits in a segment under sustained acquisition pressure. Chicago is a significant concentration of mid-market manufacturing, professional services and logistics businesses - the exact employer profile that has historically carried fully insured group health plans but is increasingly being pushed by cost pressure toward self-funded or level-funded structures that require more intensive ongoing advisory support.

What Shore is building alongside Freestone

The 360 Benefits acquisition is not Shore Capital's only move in the employee benefits space this year. In July, Shore separately acquired ThrivePass, a Denver-based

employee benefits administration technology platform. Freestone and ThrivePass operate as separate businesses currently, but Shore now holds a benefits brokerage platform and a benefits technology platform under the same ownership umbrella.

That combination is the trend that matters most for independent mid-market benefits brokers reading this piece. When a PE-backed consolidator pairs brokerage capability with benefits administration technology, it is building a vertically integrated offering that competes on multiple dimensions simultaneously: advice quality, carrier relationships, administrative efficiency, and the data infrastructure - enrollment systems, claims analytics, utilisation reporting - that increasingly drives employer purchasing decisions at renewal.

An employer currently served by an independent mid-market benefits broker who does not have equivalent technology capability faces a more compelling value proposition from a consolidated platform than it would have three years ago. The advice may be comparable. The operational ecosystem around it is not.

What Pragalz's retention signals

The retention of Pragalz as president follows a structure that PE-backed brokerage acquirers use routinely in benefits specifically. Unlike commercial lines or P&C brokers where products are the primary client-retention mechanism, benefits relationships are built around the broker's understanding of a specific employer's workforce, culture, and financial position. An employer that has worked with the same benefits adviser for several years has invested in that relationship in a way that does not automatically transfer to a new owner.

Retaining Pragalz through the transition is the acquirer's mechanism for preserving those relationships while the integration is completed. For 360 Benefits' existing employer clients, the immediate practical implication is continuity of their day-to-day advisory contact - but within a platform that now has Freestone's carrier relationships, regional scale and Shore Capital's financial resources behind it.

For independent mid-market benefits brokers in Chicago advising the same employer segment as 360, the Freestone deal is one more data point in a consolidation pattern

that has been building steadily across the city's mid-market since 2023. The employers they currently serve are the same employers PE-backed consolidators are targeting. The question is not whether consolidation pressure will reach their client base - it already has - but whether their current advisory model is positioned to compete with what a Shore-backed platform can now offer.

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