



**Evolve**  
Capital Partners

# Insurance Landscape

**Industry Deep Dive**

**Summer 2021**



Detailed Market Segmentation of the Insurance Sector

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**SPECIALIZED INVESTMENT BANK AT  
THE INTERSECTION OF FINANCE & TECHNOLOGY**

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# I. Executive Summary

# Foreword

## Evolve's Insurance Market Overview

### FOREWORD

2020 was a rollercoaster ride for insurance companies and 2021 continues to be so, with the emergence and rising popularity of SPAC transactions a record amount of investment flowing into the space. The insurance space is experiencing a tidal wave of innovative disruption, compounded by intensifying challenges. There is a very strong urgency to embrace digital transformation to not just thrive, but to survive.

At Evolve, we understand that there remain plenty of opportunities to make the entire insurance process more efficient than ever before. Premium penetration has a large gap that needs to be filled, even in the U.S., which will create opportunity in areas such as technology and outsourcing. To underscore the importance of the insurance space for us, we have assembled a report exclusively focusing on this area.

Following our recent transactions in the insurance industry (advising the shareholder of Aegis on their sale to Charles Taylor and advising Davies group on acquiring Wakely Actuarial), insurance remains one of our three core focus areas, along with capital markets and lending. Special coverage reports on these other industries will be released in the coming months.

Evolve is optimistic about growth prospects of the insurance space, especially with outsourcing & software providers:

- The technological infrastructure is built on the strong foundation established by FinTech and SaaS pioneers in the past decade. (Insurance can be five to ten years behind.)
- The market is maturing, as growing insurance demand / need combines with an increasingly digital-native population.
- Investment gains from recent IPOs will flow into the next emerging group of InsurTech firms, and the impact of these capital flows will be amplified over time.

In this report, we present our take on the insurance industry. We hope you are excited about what we discover, as much as we do.

Source(s): U.S. Bureau of Economic Analysis, "Value Added by Industry," <https://apps.bea.gov> (accessed 6/17/2021).

### Our Motivations

- For us to serve our clients better, we strive to constantly update our understanding of our focus priority areas. This report is part of our research coverage, which includes our monthly and quarterly newsletters, and executive research notes.
- The information here may help you and your firm better understand your place in the insurance ecosystem and give a stronger idea of how to determine value. We also highlight current trends with each sub-sector, which will inform or reinforce your current thoughts.
- For entrepreneurs or those who run sponsor-backed firms, this report will help you consider different options you can pursue (such as a sale vs. a raise).
- The report attempts to be comprehensive in identifying the sub-sectors, but the space is large and certain areas might not be captured well..

Evolve Capital Banking Team



# Evolve Insurance Industry Summary Map

## Evolve's Perspective: Dynamics of the Insurance Ecosystem

### KEY INSURANCE SUB-SECTORS

#### CORE FUNCTIONS

**Insurance Carriers:** providers of insurance coverage to the insureds; larger, traditional carriers often leverage a network of third-party software / service providers to handle underwriting and claims; newly established personal insurance carriers often have direct-to-customer distribution and claims processes

#### SUPPORTING FUNCTIONS

**Distribution:** intermediaries between the carriers and insureds, the distribution network consists of MGAs / agencies (represent carriers), brokers (represent insured), technology platforms (marketplace, quoting platforms, etc.)

**Tech-Enabled Services:** serve carriers with a wide range of offerings, from underwriting & billing, pricing, and the claims handling value chain (TPAs, adjusting, etc.)

**Software Solutions:** software vendors specialized in insurance, serving carriers, distribution, and services companies in the space

#### ANCILLARY FUNCTIONS

**Ancillary Service Providers:** outsourced analytics, back-office, consulting, legal, and other non-core services that cater to different industries, including insurance

**Ancillary Software Providers:** software developers that provide solutions to different industries, including insurance

### TECH-ENABLED SERVICES



### CARRIERS



### INSURED



### DISTRIBUTION



### ANCILLARY SERVICES



### SOFTWARE SOLUTIONS



### ANCILLARY SOFTWARE





## II. Evolve Overview

# Evolve Capital Partners Overview

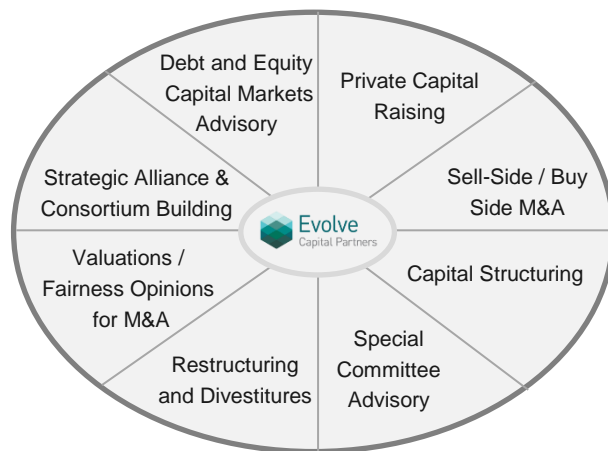
We Focus Exclusively On Finance and Technology-Related Firms

## ABOUT EVOLVE

- Evolve Capital Partners is a specialized investment bank focused on tech-enabled service & software firms in the insurance, capital markets and lending sectors
- The Evolve brand was established in 2017, and we are based in New York, NY. Our location provides access to numerous strategic and financial partners who participate in and shape the financial services sector.
- Since inception, we have completed dozens of transactions and professionals of the firm have advised on over \$6B of M&A and financing transactions.



### Our Advisory Products



**In-Depth Industry Research Reports**

**Quarterly Market Analysis**

**M&A / Financing Transaction Profiles**

## ADVISORY SERVICES

- We are a dedicated, creative, and fully independent investment bank that advises private and public companies on merger, divestiture and acquisition transactions, and capital raising through private placements.
- We produce industry-leading research on transaction trends across the finance and technology sector.
- Few investment banks have transaction experience across both corporate and asset finance.



### Our Clients

- Corporations
- Management Teams
- Venture Capital & Private Equity Funds
- Independent Directors / Boards



### Industry Focus

- We are exclusively focused on Finance and Technology firms



# Evolve Focus Areas

We Focus Exclusively On Finance and Technology-Related Firms

## EVOLVE CORE FOCUS

## AREAS OF INTEREST





# Evolve Advises on Two Insurance Transactions

## Evolve Recent Insurance Transaction Highlights

### TRANSACTION OVERVIEW

- On 12/31/20, Aegis was acquired by Charles Taylor, a global provider of services and technology solutions to the global insurance marketplace.
- Aegis provides risk pools and self-insureds with customized insurance and claims management programs focused on the unique needs of public entities and municipal organizations. The company oversees insurance programs for ~200 entities with \$350mm in annual premiums under management.
- Charles Taylor is a London-based claims and risk management company that provides insurance management services to mutual insurance associations and captive insurance companies in shipping, transportation and energy industries. The company offers advisory, adjustive, underwriting, claim management, operations, and support services. Charles Taylor became a portfolio company of Lovell Minnick Partners in January 2020.

### TRANSACTION SIGNIFICANCE

- After the acquisition, Aegis' clients will have access to Charles Taylor's full suite of global claims, insurance management, and technology solutions.
- The addition of Aegis bolsters Charles Taylor's capabilities in public entities capabilities, mutual management and claims handling.

#### Evolve Capital Partners

*is pleased to announce its role as the exclusive financial advisor to*

*On its sale to...*



*A portfolio company of...*



### TRANSACTION OVERVIEW

- On 12/18/20, Davies Group acquired Wakely Actuarial, an insurance-focused actuarial consulting business headquartered in Florida.
- Wakely Actuarial will be re-branded in early 2021 and will be traded as Davies, forming a new actuarial unit. Davies Group provides insurance operation management and consulting services with focus on claims relating to residential property, commercial, and specialist liability policies. The company provides their management and consulting services to customers in the US, Europe, Latin America, and Asia.
- Wakely Actuarial is a provider of healthcare actuarial consulting services. The company provides actuarial, regulatory compliance, valuation for financial reporting and renewal commission and risk management consulting services.

### TRANSACTION SIGNIFICANCE

- The addition of Wakely Actuarial will bring new actuarial domain expertise to Davies Group bolstering Davies Group's capabilities in offering a broader range of solutions to its existing 750+ clients cross the world.

#### Evolve Capital Partners

*is pleased to announce its role as the exclusive financial advisor to*

*A portfolio company of...*



*On its acquisition of...*



*These transactions highlight Evolve's rising leadership position in the insurance space, catalyzing the company's growth and further penetration into advising leading insurance services and technology firms.*



## III. Industry Landscape

# U.S. Insurance Industry Highlights

## Key Trends and Statistics

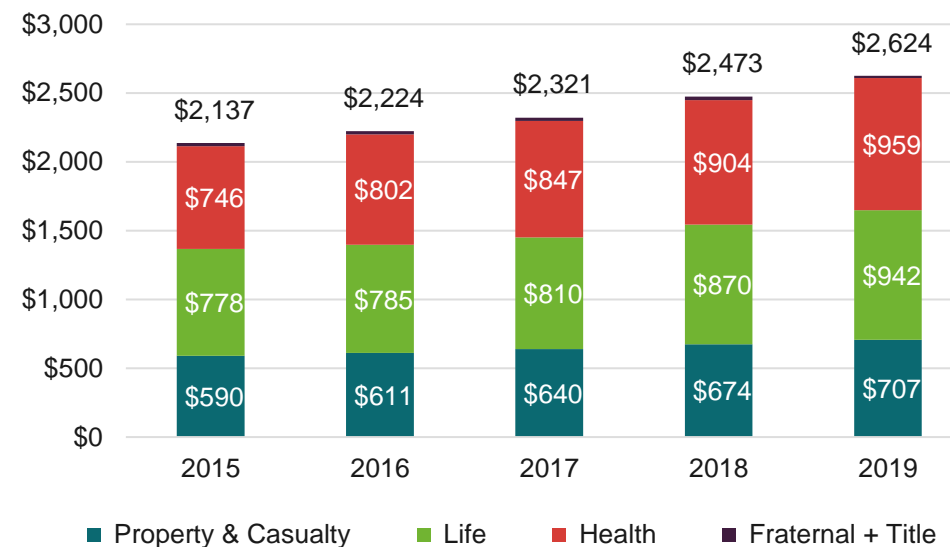
### MARKET TRENDS

- Insurers have experienced sizeable investment losses due to the pandemic. However, many have built up significant balance sheets over recent years, which can help to cushion some of the negative impacts.
- **The pandemic accelerated digital transformation, with work from home becoming more prevalent.**
  - Demand for insurance management software will increase, facilitating processes such as billing, claims processing, and client engagement.
  - Growing digitalization of the industry helps with AI and telematics adoption.
- **Digital insurance products emphasize more on convenience, low cost and personalization, as more startups compete in these areas.**
  - Disintermediation of traditional players will offer cheaper insurance options for consumers.
  - Data tracking and analytics tools will make insurance highly personalized.
- **Traditional insurers are experiencing a hardening insurance market, as insurance prices seem likely to continue edging up in the future.**
  - Prices are increasing as risk factors amplify in areas such as pandemic, climate change, cyber breaches, political and global trade.
- **To adapt to an era of heightened risk and technological disruption, insurance firms need to upgrade their core capabilities and retain talented staff.**
  - In many traditional firms, there is a persistent challenge of attracting young, innovative and dynamic employees.
  - The industry is facing a talent shortage as talent acquisition becomes increasingly competitive.

### INDUSTRY STATISTICS

#### U.S. Premiums by NAIC Financial Statement Type

(USD, in Billions)



\*Starting in 2019, Fraternal organizations file using the Life financial statement.

\*\*Delayed schedule in 2020 following relaxed statutory filing requirements enacted in several states due to COVID-19.

# M&A Transaction Activity

## 2H 2020 Momentum Has Fed Into 2021's Active Start

### MARKET ACTIVITY OVERVIEW

- 2021 has been a busy year for the broad insurance industry in the capital markets with the return of larger dealmakers' appetite. It is already off to a hot start as the total value of US transaction volume has almost reached 2020's # as per Pitchbook (see chart)
- 2020 ended with an all-time high with 813 M&A transactions, but with a lower total transaction volume of \$27B (compared to 2019's \$34B). This is a sign that consolidation is picking up particularly within the low to middle market
- In the first half of 2020, especially Q2, market activity slowed down as dealmakers paused and tried to decipher the situation, but the capital markets adapted themselves to the new environment at a remarkable speed – The second half of 2020 saw \$19B+ invested compared to \$14B+ for the same period in 2019

### M&A Activity Drivers and Trends

#### Trend 1: Growing Confidence in the Economic Outlook

*Optimism in the economic outlook continues to grow with improving employment, high GDP growth, and government stimulus*

#### Trend 2: Abundant Capital Availability

*Financial sponsors are increasingly active in strategic transactions, leveraging the historic low interest rate; it is a common sight that disruptive players with strong financial backing successfully execute the buy-and-build strategy*

#### Trend 3: Deeper Pool of Targets

*Large players in the market are seeking to divest or exit their non-core businesses as the pandemic called for more focused operations, creating attractive acquisition opportunities*

#### Trend 4: Technology Consolidation

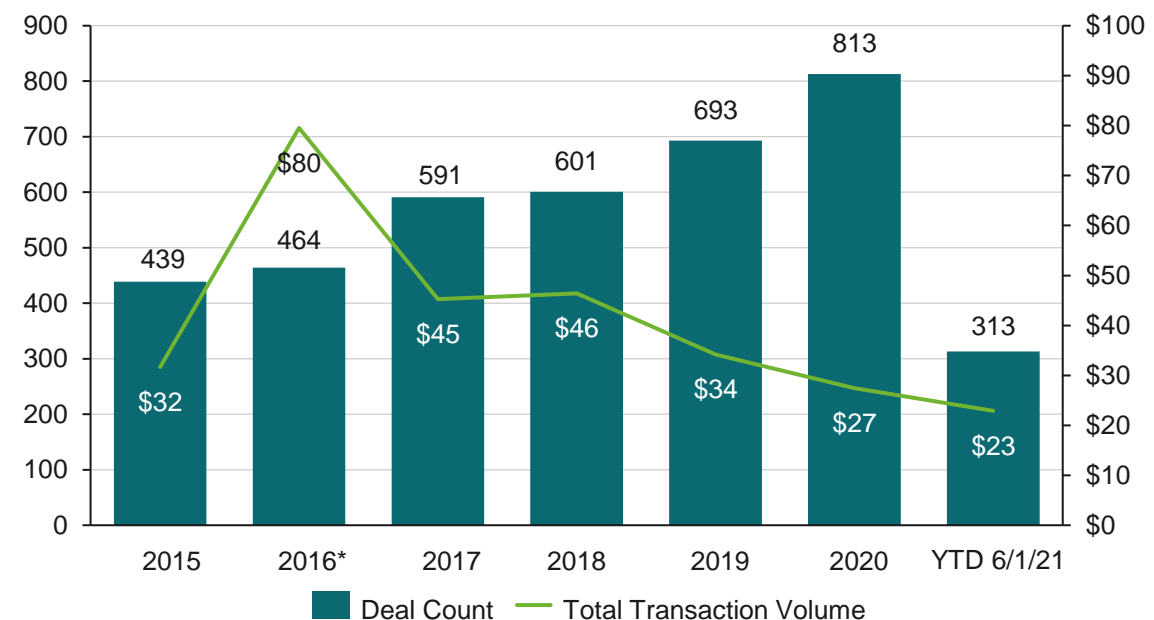
*The pandemic catalyzed technology adoption in the insurance industry – in an unprecedented business environment, certain technologies became mission-critical for maintain existing relationships, access new markets, and acquire customers, and insurers' acquisitions of tech startups picked up*

### U.S. INSURANCE M&A TRANSACTION STATS (2015 – 2020)

#### Transaction Count

#### Transaction Volume

(USD, in Billions)



Source(s): PitchBook, InsuranceJournal, Hales Report \*2016 Spike in Transaction volume due to Ace acquired by Chubb



# Financing Transaction Activity

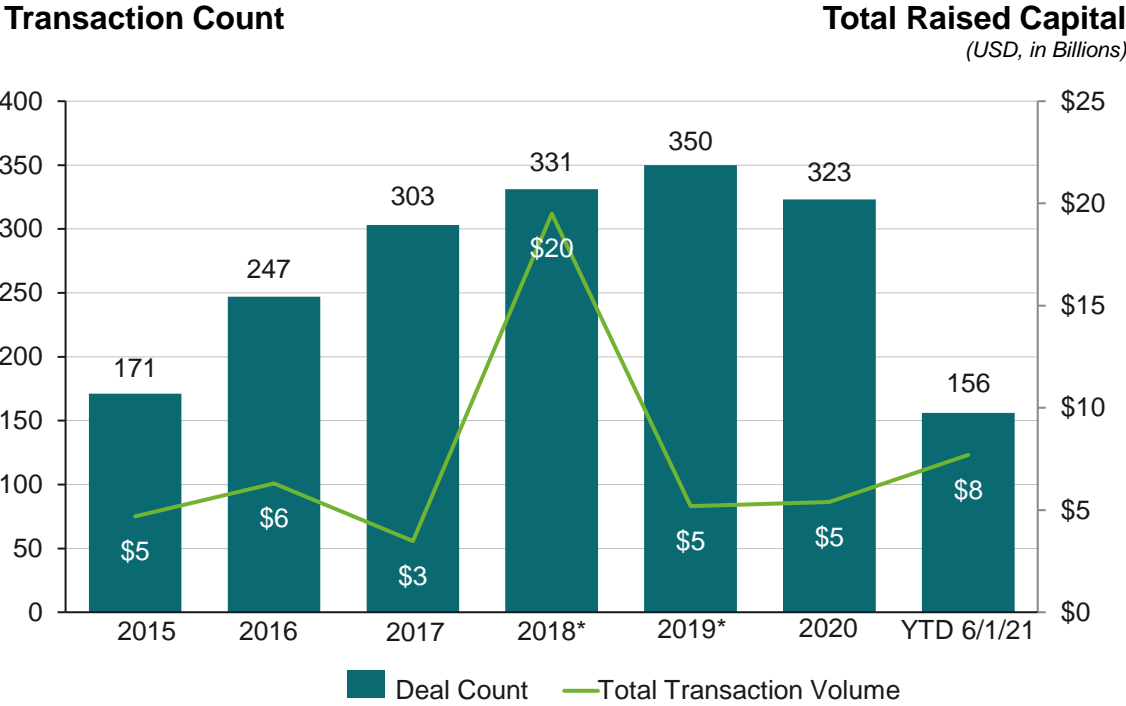
## Market Activity Reaching New Levels With Increased Demand

### MARKET ACTIVITY OVERVIEW

- As COVID-19 drives the need for technology implementation and development, the market has seen strong uptick in capital raising activity from InsurTech and tech-enabled service firms.
- 2021 has already seen 15 financing transactions over \$100mm+ (Extend, Collective Health, Clearcover and more) compared to 16 such transactions in all of 2020
- 2020 ended with a record number of financing transactions as the market saw a surge in **institutional backers seeking to catch the rising trend of disruptive InsurTech**
- Additionally, **the IPO market was red hot in 2020** with the IPOs of GoHealth, Root, Lemonade, SelectQuote and more – **no sign of slowing down in 2021 with big names in the space recently announcing or planning an IPO** (more details on page 15)
- Some of the common themes that attract VC's interest are IoT, machine learning, blockchain, and direct-to-consumer solutions. Outside these areas, below are some of the evolving, albeit somewhat overlooked, areas that will drive transaction activity

|                                       |  |
|---------------------------------------|--|
| Insurance Management Systems          | One-stop solutions that support most of small distributors' or carriers' operations and workflows, from billing, claims, to rating and customer management |
| Insurance Claims & Adjusting Software | Adjusters-On-Demand is gaining traction as a solution against the shrinking full-time adjuster workforce   |
| Insurance RegTech                     | Regulations is always changing, forcing service providers to always adapt, and RegTech makes the progress smoother   |
| Payments Solutions                    | Automation of billing, payments, and collections drives efficiency and significantly reduces costs   |

### U.S. INSURANCE FINANCING TRANSACTION STATS (2015 – 2020)



Source(s): PitchBook – Does not include IPO or SPAC, \*2018 Spike in Transaction volume due to Ant Group raising \$14

# InsurTechs Go Public, With a Growing Crop of SPAC Suitors

## IPO and SPACs Gaining Popularity in the InsurTech Space

### INSURTECH FIRMS GETTING THE PUBLIC LIMELIGHT

- InsurTech firms started to come of age in mid-2020, with SelectQuote and GoHealth going public.
  - Previous IPOs were mostly insurance brokerage / service providers, but more recently digital insurance platforms have begun to gain traction.
  - Initially, firms that went public were mainly insurance marketplaces, paving the way for digital insurance carriers like Lemonade and Root Insurance to IPO.
  - Insurance software / IT providers such as Duck Creek and MediaAlpha also went public, having benefited from the broader trend of digital transformation in the industry.
- In 2020, SPACs gained popularity as an alternative to the traditional IPO, raising \$80B+ – around twice the value of all previous SPACs in the previous decade. Through Q1 2021 SPACs have already outpaced all of 2020 with \$87B+ raised
  - SPACs will continue to be a core option for companies that are going public.

### Key Insurance/InsurTech-Focused SPACs Seeking a Target

| Transaction Date | SPAC  | Backer   | Proceeds (\$ mm) |
|------------------|---|--|------------------|
| 4/29/21          |  PEGASUS EUROPE                    |  TIKEHAU CAPITAL          | \$605            |
| 3/15/21          |  PINE TECHNOLOGY HOLDINGS LIMITED |  AmTrust FINANCIAL GROUP | \$300            |
| 2/25/21*         |  C & C IAC                       |  Cohen & Co             | \$220            |
| 1/6/21           |  KAIROS ACQUISITION CORP         |  HUDSON STRUCTURED      | \$276            |
| 12/18/20         |  C & C IAC                       |  Cohen & Co             | \$218            |

\*Filing Date Source(s): CNBC via SPAC Research

### UPCOMING SPAC TRANSACTIONS – CURRENTLY IN TALKS



Potential Valuation: ~\$5B








#### Company Details

- Hippo is an MGA which sells homeowners coverage online.
- In July 2020, Hippo raised a \$150mm Series E at a \$1.5B valuation.
- In November 2020, the company raised an additional \$350mm round from Mitsui Sumitomo Insurance Company to help with U.S. expansion.
- As of early March 2021, Hippo is in talks with Reinvent Technology Partners to go public via a SPAC vehicle.
- Reinvent Technology Partners is led by Zynga founder Mark Pincus and LinkedIn co-founder Reid Hoffman.
- According to an insider, the combined entity is set to be valued at more than \$5B.
- Hippo was founded in 2015 and is based in Palo Alto, California.

# Select Insurance IPOs

## Transaction Highlights (1/2)

(USD in millions, except per share data)

| Listing Date | Company   | Sub-Sector   | Description  | Listing Price | Shares Offered (mm) | Amount Raised | Market Value at Listing Price | Market Value / Revenue | P / E Multiple | % Stock Price Change <sup>(1)</sup> |
|--------------|---|--|--|---------------|---------------------|---------------|-------------------------------|------------------------|----------------|-------------------------------------|
| 5/7/21       | <br>(NYS:WDH)  | Digital Distribution                                 | Waterdrop operates a health insurance distribution and medical crowd-funding platform in China.  | \$12.00       | 30.00               | \$360         | \$3,823                       | 8.2x                   | NMF            | (30.3%)                             |
| 3/3/21       | <br>(NYS:OSCR) | Digital Carrier                                      | Oscar is a health insurance company built around a full stack technology platform.   | \$39.00       | 37.00               | \$1,443       | \$6,858                       | 14.8x                  | NMF            | (34.1%)                             |
| 12/17/20     | <br>(NAS:MDWT) | Traditional Carrier / Reinsurer / Software Solutions | Midwest Holding is a financial service holding company, with businesses such as m.pas (Policy Administration Solution), American Life (insurer) and Seneca Re (captive reinsurance company). | \$70.00       | 1.00                | \$70          | \$154                         | 12.1x                  | 89.1x          | (42.3%)                             |
| 10/28/20     | <br>(NAS:ROOT) | Digital Carrier                                      | Root Insurance develops and launches a direct-to-consumer personal automobile insurance and mobile technology company.   | \$27.00       | 26.80               | \$724         | \$6,746                       | 16.4x                  | NMF            | (64.5%)                             |
| 10/28/20     | <br>(NYS:MAX) | Software Solutions                                   | MediaAlpha Inc provides a platform that facilitates insurance carriers and distributors target and acquire customers.  | \$70.00       | 1.00                | \$70          | \$154                         | 12.1x                  | 89.1x          | 114.8%                              |








Source(s): PitchBook

(1) Stock price as of June 4<sup>th</sup>, 2021

# Select Insurance IPOs

## Transaction Highlights (2/2)

(USD in millions, except per share data)

| Listing Date | Company   | Sub-Sector               | Description  | Listing Price | Shares Offered (mm) | Amount Raised | Market Value at Listing Price | Market Value / Revenue | P / E Multiple | % Change Since Listing |
|--------------|---|--------------------------|--|---------------|---------------------|---------------|-------------------------------|------------------------|----------------|------------------------|
| 8/14/20      |  Duck Creek Technologies<br>(NAS:DCT)  | Software Solutions       | Duck Creek Technologies is a SaaS provider of core systems for the P&C insurance industry.   | \$27.00       | 15.00               | \$405         | \$5,133                       | 25.5x                  | NMF            | 46.4%                  |
| 7/16/20      |  TREAN<br>INSURANCE GROUP<br>(NAS:TIG) | Traditional Distribution | Trean Insurance Group provides casualty insurance, liability insurance, and workers compensation insurance, among other insurance solutions.             | \$15.00       | 10.70               | \$161         | \$793                         | 7.2x                   | 25.2x          | 10.2%                  |
| 7/15/20      |  GoHealth<br>(NAS:GOGO)                | Marketplace              | GoHealth is a health insurance marketplace, which uses machine learning to help individuals find health insurance plans based on their specific needs.   | \$21.00       | 43.50               | \$914         | \$6,095                       | 12.7x                  | 272.6x         | (31.5%)                |
| 6/25/20      |  BRP<br>(NAS:BRP)                      | Brokerage                | BRP Group is a United States-based insurance distribution offering commercial P&C, employee benefits and personal lines insurance.                       | \$13.25       | 11.50               | \$152         | \$1,301                       | 6.6x                   | NMF            | 85.7%                  |
| 5/21/20      |  SELECTQUOTE<br>(NYS:SQTL)             | Digital Distribution     | SelectQuote is a Direct-to-consumer (DTC) distribution platform which facilitates consumers to shop for health, life and auto & home insurance.          | \$20.00       | 28.50               | \$570         | \$4,392                       | 13.0x                  | 60.5x          | (1.0%)                 |
| 1/10/20      |  PALOMAR<br>SPECIALTY<br>(NAS:PLMR)   | Specialty Carrier        | Palomar Holdings provides specialty property insurance for earthquake, wind, and flood.  | \$49.00       | 5.00                | \$245         | \$1,139                       | 10.1x                  | 30.1x          | 46.6%                  |
| 2/12/20      |  慧择<br>huize.com<br>(NAS:HUIZ)       | Digital Distribution     | Huize Holding offers online insurance products in China. Its online platform offers digitalized insurance services through internet and mobile channels. | \$10.50       | 5.30                | \$55          | \$513                         | 3.6x                   | 115.0x         | (39.8%)                |

Source(s): PitchBook








(1) Stock price as of June 4<sup>th</sup>, 2021



# Key Insurance SPAC Transactions

## Transaction Highlight

(USD in millions)

| Announce Date | Close Date | Target Company   | Description  | Target MV | Target Revenue | Net Income | Target MV / Revenue | P / E | % Change Since Close Date <sup>(1)</sup> |
|---------------|------------|--|--|-----------|----------------|------------|---------------------|-------|--|
| 3/4/21        | NA         |  <b>Hippo</b>                             | Hippo offers homeowner's insurance that covers the homes and possessions of the insurance holder as well as liability from accidents happening in the insured property.  | \$3,800   | \$100          | NA         | 38.0x               | NA    | NA                                       |
| 3/1/21        | NA         |  <b>QOMPLX</b><br>Reimagining Complexity™ | QOMPLX is a risk-analytics provider that helps companies protect against cyber-security threats  | \$1,400   | \$96           | NA         | 14.6x               | NA    | NA                                       |
| 2/3/21        | NA         |   | CCC Information Services is a developer of cloud, mobile, telematics, hyperscale technologies and apps designed for handling of first and third-party insurer claims.  | \$6,500   | NA             | NA         | NA                  | NA    | NA                                       |
| 11/24/20      | 2/9/21     |  <b>metromile</b><br>(NAS:MILE)           | Metromile is a digital insurance platform which offers real-time, personalized auto insurance policies by the mile.  | \$1,253   | \$11           | (\$56)     | 110.8x              | NA    | (4.2%)                                   |
| 10/6/20       | 1/7/21     |  <b>Clover Health</b><br>(NAS:CLOV)       | Clover Health uses its proprietary technology platform to collect, structure, and analyze health and behavioral data to improve medical outcomes and lower costs for patients.   | \$3,700   | \$670          | (\$92)     | 5.5x                | NA    | (10.6%)                                  |
| 10/10/19      | 3/17/20    |  <b>IGI</b><br>(NAS:IGIC)                 | International General Insurance Holdings Ltd is an international specialist commercial insurer and reinsurer, underwriting a diverse portfolio of specialty lines.   | \$398     | \$250          | \$24       | 1.6x                | 16.9x | 5.9%                                     |
| 11/27/18      | 12/5/19    |  <b>Sagicor</b><br>(TSX:SFC)            | The company's subsidiaries provide life and health insurance, annuities and pension administration services, property and casualty insurance, banking, investment management, and other financial services in the Caribbean and Central America. | \$536     | \$1,860        | \$44       | 0.3x                | 12.0x | (1%)                                     |

Source(s): PitchBook

(1) Stock price as of June 4<sup>th</sup>, 2021







# IV. Insurance Market Map

1. Carriers
2. Distribution
3. Software Solutions
4. Tech-Enabled Services

# How Evolve Segments Our Insurance Industry Coverage

## Segmenting the Industry into Key Areas of Interest





### EVOLVE NOMENCLATURE

|   |                     |                              |
|---|---------------------|------------------------------|
|  | <b>Region</b>       | Industry                     |
|  | <b>City</b>         | Sub-Sector (or Sub-Industry) |
|  | <b>Neighborhood</b> | Product Type                 |
|  | <b>Zip Code</b>     | Product                      |

### How to Navigate Our Market Map

- Each of the four sub-sectors (i.e. cities) is color coded and all underneath neighborhoods and zip codes are colored accordingly
- Each city has a detailed market map with summary market overview, followed by a detailed research into trends and capital markets activity
- In-depth research on neighborhoods and zip codes of interest is displayed in the next chapter

### DIRECTORY

| Area  | Location |
|---|----------|
| <b>Broad Sub-Sector Market Map &amp; Overview</b>   |          |
| Carriers               | Page 21  |
| Distribution           | Page 25  |
| Software Solutions     | Page 29  |
| Tech-Enabled Services  | Page 32  |

### Evolve Areas of Interest

|                              |   |         |
|------------------------------|---|---------|
| <b>CARRIERS</b>              | > Traditional Carriers > <a href="#">P&amp;C</a>      | Page 35 |
|                              | > Traditional Carriers > <a href="#">Specialty</a>    | Page 38 |
|                              | > Digital Carriers                                    | Page 41 |
| <b>DISTRIBUTION</b>          | > Traditional Underwriting / MGAs / BGAs              | Page 44 |
|                              | > Traditional Agencies / Brokers / Distributors       |         |
|                              | > Digital Underwriting / MGAs / BGAs                  | Page 47 |
|                              | > Digital Agencies / Brokers / Distributors           |         |
| <b>SOFTWARE SOLUTIONS</b>    | > Specialized Software                                | Page 50 |
|                              | > Data Analytics                                      | Page 53 |
|                              | > Diversified Software                                | Page 56 |
| <b>TECH-ENABLED SERVICES</b> | > Specialty Service Providers (Billing and Premium)   | Page 59 |
|                              | > Specialty Service Providers (Investing and Pricing) | Page 62 |
|                              | > Specialty Service Providers (Claims and Payments)   | Page 65 |

Focus Zip Codes: [TPA](#), [Risk Management](#), [Claims Processing](#), [Adjusting](#)

# Introducing the Insurance Space

## Segmenting the Industry into Key Areas of Interest

### THE INSURANCE INDUSTRY FROM OUR LENSES

- The Insurance industry is expansive, consisting of hundreds of thousands of firms alone in the U.S., and many value chains, often intertwining. The line among different segments of the industries may be blurred as there can be significant overlap.
- The industry mainly revolves around the insurance carriers, with several sub-sectors that exist to serve them, whether directly or indirectly: 1) Distribution Channels, 2) Software Solutions, and 3) Tech-Enabled Service Providers
- **Firms in the above sub-sectors can also service each other, but carriers reside at the core of all these interactions.**
- At the periphery of the insurance ecosystem, there are also ancillary software / service providers.
  - These firms often provide solutions outside of insurance.
  - Examples of such areas include: Accounting and RegTech
  - A vast majority of these firms do not specialize in the insurance industry, so we consider them ancillary services / software providers.
- The above-highlighted core and sub-sectors are our key areas of interest.
  - We will dive deeper into these areas through our market maps and market trend research.
  - Our key areas of interest are not necessarily representative of the entire insurance industry, so we do not claim our research to be 100% comprehensive of the broader insurance space.

### CARRIERS

#### TRADITIONAL CARRIERS

Companies that underwrite an insurance risk, usually incumbents

#### DIGITAL CARRIERS

Companies that underwrite an insurance risk, usually via an online digital platform

#### REINSURANCE

Companies that underwrite risks for other insurance carriers

### TECH-ENABLED SERVICES

#### CLAIMS / PAYOUT

Companies that provide claims management services or manage payouts

#### BILLING / PREMIUMS

Companies that provide billing or premium collection services

#### INVESTING / PRICING

Companies that provide investment services for insurers to manage their funds, or pricing services to enhance the underwriting process

#### DIVERSIFIED SERVICE PROVIDERS

Companies that sell extensive or broad-based services to enhance business and operational processes

### DISTRIBUTION

#### DIGITAL UNDERWRITING / MGAS / BGAS

Companies that provide digital insurance solutions, which are backed by other carriers.

#### DIGITAL AGENCIES / BROKERS

Companies that provide digital insurance options, typically sourced from carriers

#### TRADITIONAL UNDERWRITING / MGAS / BGAS

Companies that provide underwriting solutions, or other wholesale insurance products for retail brokers and agencies

#### TRADITIONAL AGENCIES / BROKERS

Companies that provide insurance solutions for individuals and businesses

### SOFTWARE SOLUTIONS

#### DIVERSIFIED SOFTWARE

Companies that provide extensive software solutions catering to the insurance industry

#### SPECIALIZED SOFTWARE

Companies that specialize in specific solutions (by function or by industry target group) which help to enhance processes for carriers or distributors



# Carrier Landscape = Evolve Area of Interest Public Market Comps page 71

## The Insurance Industry: Exhibiting Resilience, but need to stay Relevant

- P&C insurance accounts for approximately a quarter of the total written premiums in the U.S. in 2019. The top 10 P&C companies overall had a collective market share of ~47% in 2020.
- In addition to the pandemic, P&C insurers faced headwinds in the form of catastrophic events such as California wildfires, unrest in the Midwest and other items, which added to the industry loss ratio.
- Despite the growing claims payout and market turmoil, Fitch predicts that new claims related to coronavirus would subside in 2021 and underwriting performance is anticipated to improve due to continued pricing momentum in commercial lines.
- The sustained growth may be attributed to the briskly evolving risk landscape, where new risks emerge (pandemic, intangible assets, etc.) that create insurance gaps; insurance providers, especially smaller ones, are forced to create innovative solutions and specialize based on prevailing market demand to remain **relevant**.

## Traditional Carriers



Source: Premiums based on NAIC figures. Carrier / Premium numbers based on Insurance Information Institute.

# Carrier Landscape = Evolve Area of Interest

## Adopting a Digital Carrier Model to Stay Competitive

- Numerous digital MGAs, such as Next Insurance, Clearcover and Pie Insurance, have transitioned to become carriers.
- These firms are already investing heavily in digital solutions, which could make underwriting more efficient and drive down acquisition costs.
- When MGAs become carriers, they can capture more profits by working independently and reduce dependency on their carrier partners.
- While transitioning to a carrier model will require extensive compliance processes, the gains from strong underwriting solutions will likely outweigh the regulatory challenges.
- **Major transactions:** Lemonade's \$319mm IPO, Root's \$724mm IPO, and Oscar's \$1.4B IPO
- Based on pricing as of 6/3/21, Oscar (34%) and Root (64%) have declined significantly from their IPO price (2021 IPOs), while Lemonade's price is now (47%) from February highs. If this trend persists, it could affect investor sentiment in digital carriers this year. Moreover, it seems investors are seeking out a path to profitability in today's market which these firms and others are continuing to address

## Digital Carriers

 Page 42



## Reinsurance



# Carrier Market Overview

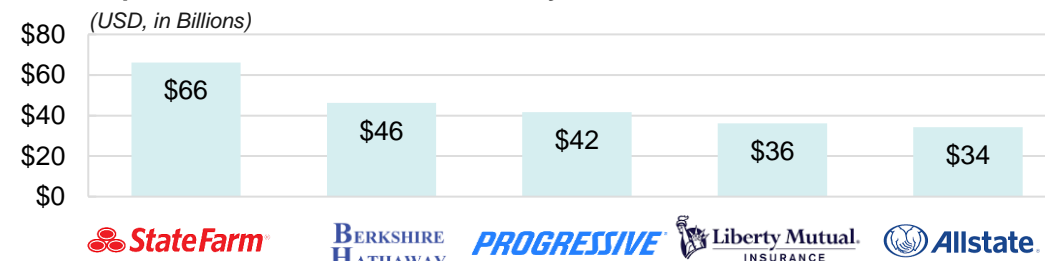
## BACKGROUND

- Insurance carriers underwrite risks, which primarily include property & casualty (P&C), and life & health (L&H).
- In recent years, carriers in China have been growing significantly, especially Ping An Insurance and China Life Insurance. Ping An's growth was driven by early transitions to the cloud over a decade ago, with significant tech innovation through its affiliates.
- After years of investing across a range of industries, Ping An recently started to invest in insurance solutions providers like Screenshot, leading a \$30mm round in March.

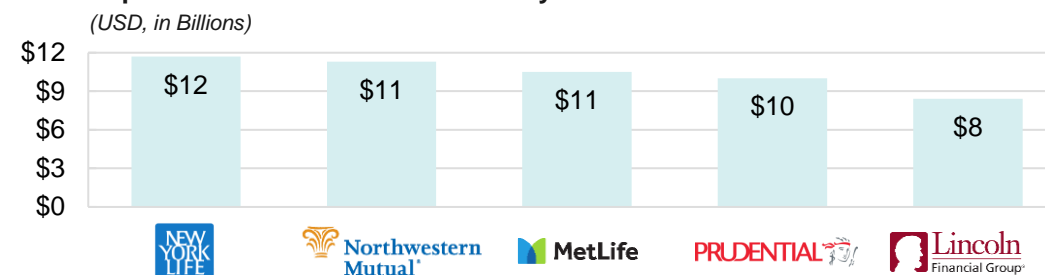
## INDUSTRY TRENDS

- Losses due to the pandemic has hit P&C insurers hard. For example, the global events cancellation market may incur up to \$6B in losses based on commentary from Peter Rossow, who handles commercial risk, health & benefits, retirement and reinsurance solutions for Aon PLC, and Ryan McGuinness, managing director, risk management in Daytona Beach, despite generating an estimated \$500-\$600mm average annual premiums pre-pandemic.
- The pandemic-driven changes in driving habits and work environments contributed to a growing consumer preference for greater customization, which will likely be reflected in future product innovation.
- Risk profiles are shifting due to the pandemic, as pet insurance and cyber insurance have seen stronger demand. Insurers that specialize based on upcoming trends can compete more effectively.
- Consumer digital adoption has resulted in insurers investing more in direct online sales channels and boosting cyber-security capabilities.
- Data, AI, and automation are ongoing themes that will contribute to insurer competitiveness, driving down operational cost and pushing up profit margins.

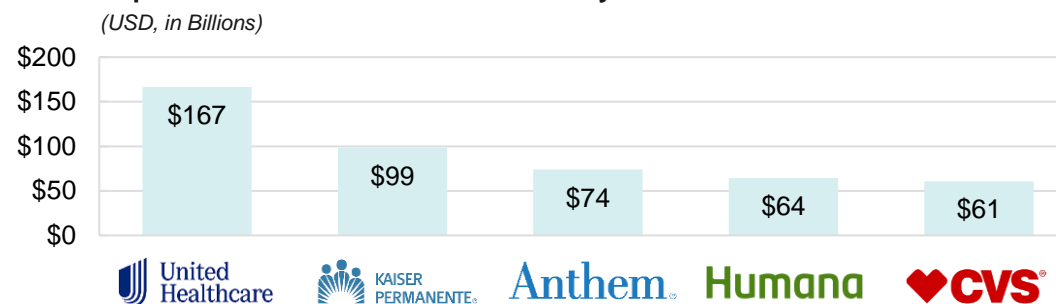
## Top 5 U.S. P&C Insurance Carriers by Direct Premiums Written in 2020



## Top 5 U.S. Life Insurance Carriers by Direct Premiums Written in 2020



## Top 10 U.S. Health Insurance Carriers by Direct Premiums Written in 2019



Note: Information for health insurance carriers only available for 2019.




Source(s): NAIC

# Carrier Market Overview (Cont'd)

Strong Market Activity in the First Half of 2021 with no Sign of Slowing down

## KEY RECENT M&A TRANSACTIONS

(USD in millions)

| Announce Date | Target  | Buyer  | Purchase Price | Target           |       |        |
|---------------|---|--|----------------|------------------|-------|--------|
|               |   |  |                | Revenue Multiple | P / E | P / BV |
| 5/25/21       |  FBL Financial Group, Inc.                         |  FARM BUREAU FINANCIAL SERVICES | \$528          | 0.7x             | 7.3x  | 0.3x   |
| 3/23/21       |  Ohio National Financial Services                  | Constellation Insurance  | \$1,000        | 0.5x             | NMF   | NA     |
| 2/23/21       |  AVIVA   |  aema GROUPE                    | \$3,870        | 0.4x             | NA    | NA     |
| 2/16/21       |  PROTECTIVE INSURANCE                              |  PROGRESSIVE                    | \$338          | 0.7x             | 20.5x | NA     |
| 1/27/21       |  GREATAMERICAN INSURANCE GROUP<br>(Life Insurance) |  MassMutual                     | \$3,500        | NA               | NA    | NA     |
| 1/26/21       |  Allstate<br>(Life Insurance)                      |  Blackstone                     | \$2,800        | 0.9x             | 5.3x  | NA     |
| 1/6/21        |  National General Insurance                        |  Allstate                       | \$4,000        | 0.7x             | 6.6x  | 1.4x   |
| 12/31/20      |  Cigna<br>(Group Benefits)                        |  NEW YORK LIFE                | \$6,300        | 1.2x             | NA    | NA     |

Source(s): S&P Global, Insurance Journal  
BV: Book Value; NI: Net Income; MV: Market Value; P / E: Price / Earnings

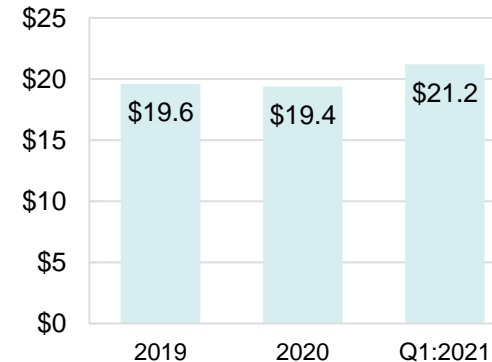
## DRIVER OF M&A / OBSERVATIONS

- The first half of 2021 saw a “red hot” market in the insurance carrier space with an abundance of mega transactions closing as large players seek to gain competitive advantage against a briskly evolving risk landscape.
- Early data indicates M&A activity for 2021 could double the previous year, potentially making one of the strongest years over the past quarter century.
- The changing market conditions forced insurance companies to reconsider their existing portfolios and find ways to optimize their core offerings.
- Through the process, some have been evaluating their business models, making decisions to either carve out business units or seek to acquire complementary targets.
- Accelerating digitization, driven by shifting norms (such as working from home), is also a key consideration for insurance carriers when thinking about strategic deals.

## ROBUST DEAL ACTIVITY EXPECTED TO CONTINUE FOR 2021

### US & Bermuda Carrier M&A Deal Value

(USD, in Billions)



### Carrier Highlights



Despite Chubb's failed \$23B bid, the insurer remains an enticing target.



AIG could separate its life and retirement business through an IPO or private sale.



# Distribution Landscape = Evolve Area of Interest

Public Market Comps page 74

## MGAs Are Quickly Evolving to Adapt in a Highly Competitive Environment

- Several digital MGAs have transitioned to become carriers,
  - Hippo announced its acquisition of its carrier partner Spinnaker.
  - Pie Insurance acquired American Sentinel, with plans to acquire more carriers.
- MGAs that develop extremely strong underwriting capabilities are incentivized to become carriers, so they can capture a larger share of the profits.
- MGAs are generally smaller and more agile than carriers, so they have been quicker in iterating their products, upgrading their technology and entering new markets by partnering with other InsurTech firms. They specialize to adapt quickly to the changing risk horizon.
- Tech-enabled MGAs (or those in transition towards tech) are increasingly exploring ways to integrate APIs, such as Insly's quote generation feature and Insurity's policy administration system, to enhance their semi-autonomous insurance capacity.

## Traditional Underwriting / MGAs / BGAs

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## Digital Underwriting / MGAs / BGAs

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# Distribution Landscape

★ = Evolve Area of Interest

## Tech-Based Growth Models Become Crucial

- In recent years, rising demand for insurance coverage has led to growing insurance premiums and commissions. Agencies and brokerages have emerged to become prime acquisition targets, offering opportunities to expand into new geographies and customer base.
- Insurance brokerage firms need to compete on quoting & rating efficiency, which requires strategizing actuarial models and implementing effective sales strategies.
- Larger brokers with the resources and expertise need to invest significantly in technology and establish specialized divisions to offer personalized services, such as risk management, so their offerings become more competitive.
- An increasingly complex risk horizon creates new opportunities, but distribution capabilities are crucial to capture them:
  - Firms need to establish effective digital marketing channels to reach consumers in an efficient and cost-effective manner

## Traditional Agencies / Brokers / Distributors

★ Page 45



## Digital Agencies / Brokers / Distributors

★ Page 48



# Distribution Landscape

Public Market Comps page 73

## BACKGROUND

- Insurance brokerages and agencies are intermediaries that sell consumers insurance coverage offered by their insurer network.
- Agencies usually represent insurance companies, while brokerages represent consumers and have access to a wider range of insurance products.
- Top three brokerages are Marsh and McLennan, Aon and Willis Towers Watson.
- In March 2020, Aon announced its acquisition of Willis Towers Watson in a \$30B transaction
- If the transaction clears antitrust and consummates (ongoing), the resultant entity will be the largest insurance broker.

## INDUSTRY TRENDS

- The Aon-Willis Towers Watson transaction made industry headlines, but also triggered concerns about market power concentration and fewer choices.
- If the transaction closes it may create new opportunities for smaller entrepreneurial brokers with strong relationships and deep technological expertise.
- In recent years, digital brokers have threatened the traditional model and are expected to gain more market share.
- Social distancing / work from home has eroded the natural advantage of traditional relationship-focused brokerages, highlighting the need for strong digital capabilities.
- A longer-term recovery will require firms to adapt to the post-pandemic world, with added emphasis on product personalization, cloud & automation, compliance, cybersecurity and risk management.
- We expect traditional brokerages to ramp up engagement and partnerships with InsurTech providers to compensate for critical digital gaps.

**Top 5 U.S. Insurance Brokerages by Revenue Generated by U.S Based Clients**  
(USD, in Billions)



**Top 5 Benefits Brokerages by Employee Benefits Revenue in 2019**  
(USD, in Billions)



\*Source(s): Business Insurance

# Distribution Market Overview

## KEY RECENT M&A TRANSACTIONS

(USD in millions)

| Announce Date | Target   | Buyer   | Target   |         |         |              |             |
|---------------|--|---|----------|---------|---------|--------------|-------------|
|               |  |   | EV       | Revenue | EBITDA  | EV / Revenue | EV / EBITDA |
| 5/27/21       | <br>(Insurance)   |    | \$500    | \$191   | NA      | 2.6x         | NA          |
| 4/21/21       |   |    | NA       | NA      | NA      | NA           | NA          |
| 3/3/21        |   |    | \$500    | NA      | NA      | NA           | NA          |
| 11/2/20       | <br><small>A subsidiary of People's United Bank</small> |    | \$120    | \$32    | NA      | 3.7x         | NA          |
| 6/30/20       |    |   | \$266    | \$89    | NA      | 3.0x         | NA          |
| 3/9/20        |   |  | \$30,000 | \$9,039 | \$2,505 | 3.3x         | 12.0x       |

Source(s): PitchBook, \* The Moody's outlook report, "2021 outlook stable as brokers' EBITDA and cash flow withstand economic strains."  
EV: Enterprise Value

## DRIVER OF M&A / OBSERVATIONS

- Market activity soared in 2020 and accelerated in early 2021 with no sign of cooling down, having been restrained by COVID after a record 2019; well-capitalized groups (strategic and financial) continue to gain acquisition momentum after sitting on the sideline for almost a year.
- The M&A recovery was driven by a combination of pent-up demand and the expected increase in capital gains tax.
- Looking forward, M&A activity will likely continue due to several factors, leading to further brokerage / agency consolidation:
  - Private equity sponsors continue to put their dry powder to use
  - Low borrowing rates
  - Industry is still highly fragmented with tens of thousands of brokerage / agencies across the country, with many being prime acquisition targets
  - Possible increase in capital gains tax will encourage sellers to close deals early
- The four most active buyers in terms of deal count through Q3 2020\* had the support of external investors.

### Top Acquirors Q1 – Q3 2020

|   |   |   |   |
|---|---|---|---|
|  |  |  |  |
| BDT Capital, BlackStone Credit, Harvest Partners                                      | GTCR, HarbourVest   | Ontario Teachers' Pension Plan  | Hellman & Friedman  |

- Backing from PE backers provide substantial resources to pursue acquisitions and will continue to drive significant deals in the space.

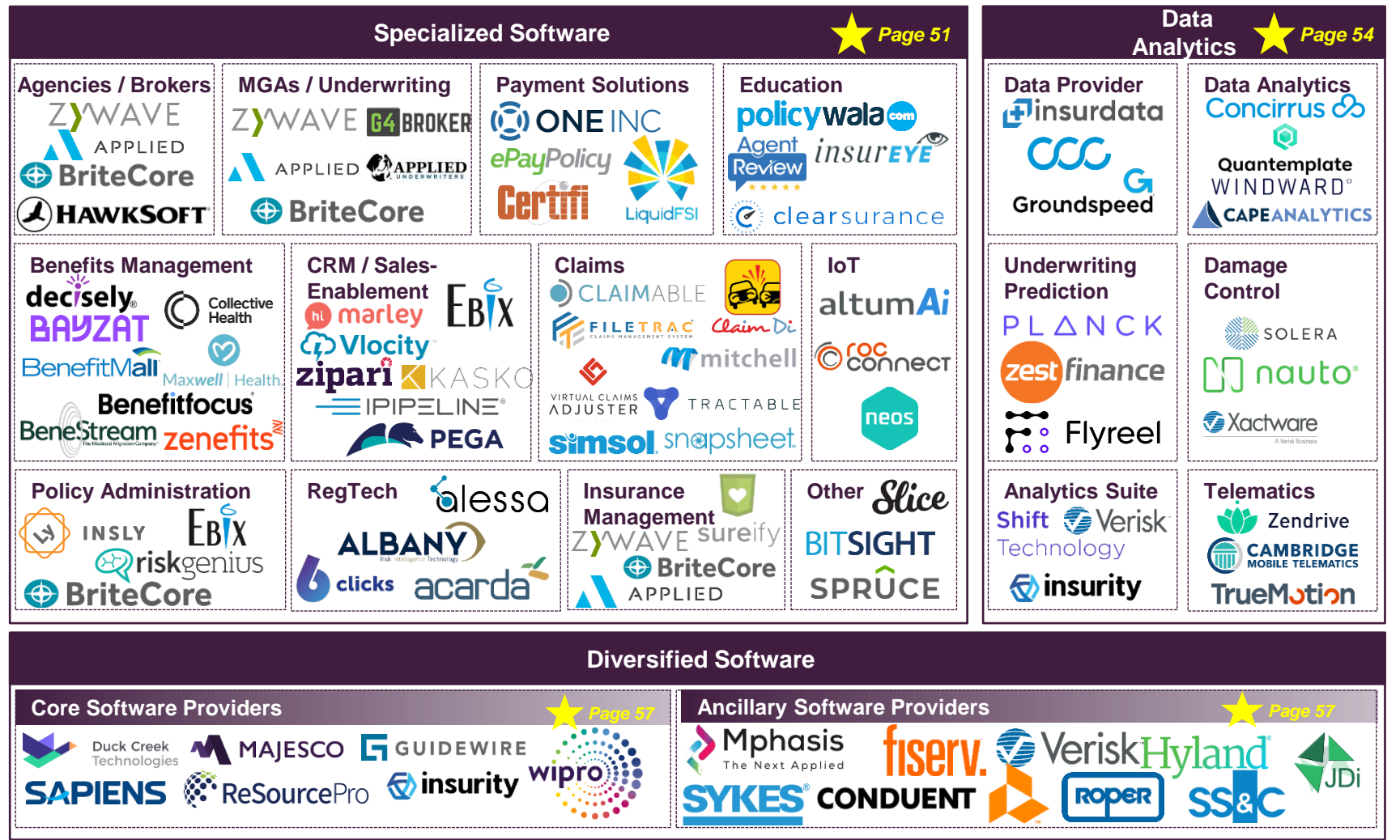


# Insurance Software Landscape ★ = Evolve Area of Interest

Public Market Comps page 74

## Advanced Technologies Drive Strong Interest

- In 2020 and into 2021 there had been significant attention on InsurTech companies that utilize latest forms of technology, such as AI.
- This has proven out with investors flooding the subsector. For example:
  - Collective Health, an integrated solution that allows self-funded employers to administer plans, control costs, and take care of their people—all in one place. received \$280mm in Series F funding at a \$1.5B post-valuation
  - CCC information services, a leading SaaS platform for the property and casualty (“P&C”) insurance economy, announced that in February ’21 that they will go public via SPAC, valuing the combined company at implied EV of ~\$7B
- At the same time, some companies have been quietly iterating their technology, which will lead to a more gradual discovery of their value.
- With software in the industry still ripe, we expect continued growth as well as potential acquisition. Many legacy players are looking to add technology to their platforms and often consider it efficient to acquire rather than build within.





# Insurance Software Solutions Market Overview

## BACKGROUND

- The emergence of FinTech over the past decade has led to new applications in digital and mobile payment / financial capabilities, eventually driving similar expectations in the insurance space.
- Growing customer demand for better and efficient solutions is a key factor in the digitalization of insurers
- As the InsurTech space matures, insurance incumbents have been exploring collaborative partnerships with insurance technology providers.
- Capgemini reported that 67% of insurers wants to collaborate with InsurTechs.

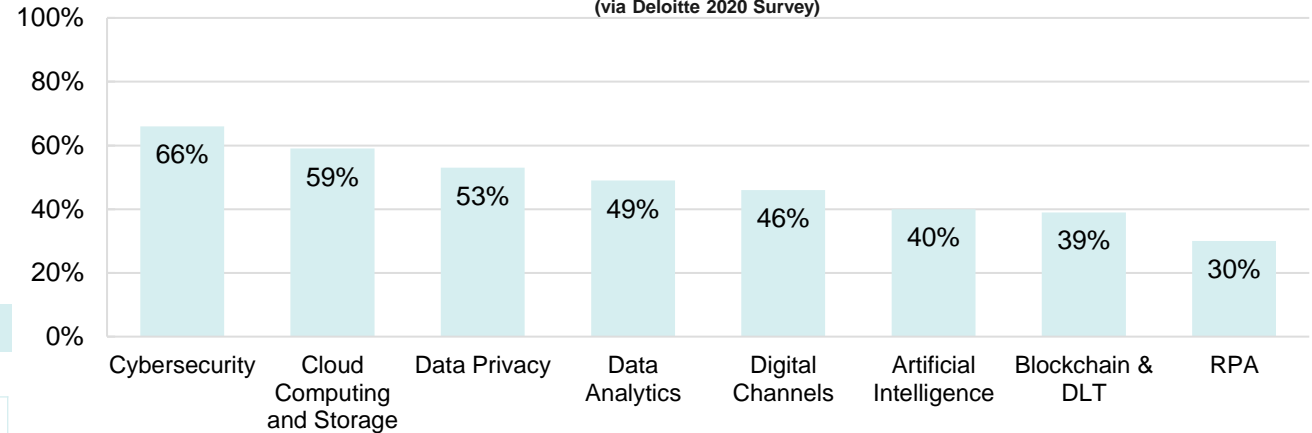
## INDUSTRY SOFTWARE TRENDS

| Trends                                   | Explanation  | Opportunities   |
|--|--|---|
| <b>Insurance Coverage Gaps</b>           | Customers seek coverage options in emerging risks such as political disruption, technological transformation, environmental catastrophes and cyber-security risks.             | New product coverage need to be offered to cater to changing customer needs.  |
| <b>New Risk Areas Emerge</b>             | Providing niche or emerging risk coverage pose additional risks for insurers.  | Investments in underwriting technology can improve predictions in relatively unknown risk areas.  |
| <b>Customization and Personalization</b> | Consumer's needs have expanded: not only are competitive pricing and high-quality products necessary, but they also demand speed and convenience, depending on the individual. | There is a strong need to customize insurance solutions based on each customer's profile, which will require extensive digitalization and analytics capabilities. |

Source(s): The Deloitte Center for Financial Services Global Outlook Survey 2020, Capgemini World insurTech Report

Percent of CIOs Surveyed Expecting  
an Increase in Spend in the Following Categories

(via Deloitte 2020 Survey)



Source: The Deloitte Center for Financial Services Global Outlook Survey 2020

## Getting Started with Software & Cloud Investments



Migrate and Modernize  
Systems-of-Engagement  
(Between Customers & Distributors)




















Moving Systems-of-Record  
to the Cloud  
(Keeping in mind Privacy &  
Data Security)

# Insurance Software Solutions Market Overview

## KEY RECENT M&A TRANSACTIONS

(USD in millions)













| Announce Date | Target  | Buyer   | Transaction Size | Target Revenue | Target EBITDA | Target EV / Revenue | Target EV / EBITDA |
|---------------|---|---|------------------|----------------|---------------|---------------------|--------------------|
| 5/14/21       |  modcic                                |  ZYWAVE<br>INSURING GROWTH                     | NA               | NA             | NA            | NA                  | NA                 |
| 4/22/21       |  instec                                |  insurity                                      | NA               | NA             | NA            | NA                  | NA                 |
| 4/20/21       |  IXN                                   |  INSURANCE TECHNOLOGIES                        | NA               | NA             | NA            | NA                  | NA                 |
| 11/12/20      |  ZYWAVE<br>INSURING GROWTH             |  CLEARLAKE                                     | \$900            | \$100          | NA            | 9.0x                | NA                 |
| 9/21/20       |  MAJESCO                               |  THOMABRAVO                                    | \$729            | \$150          | \$21          | 4.9x                | 34.7x              |
| 9/3/20        |  Vertafore                             |  ROPER   | \$5,350          | \$590          | \$290         | 9.1x                | 18.4x              |
| 8/21/20       |  Benefytt                              |  MDP <sup>®</sup><br>Madison Dearborn Partners | \$421            | \$360          | \$45          | 1.9x                | 14.9x              |
| 7/29/20       |  (AI Business) ACRISURE <sup>®</sup> |  iA<br>Financial Group                       | \$400            | NA             | NA            | NA                  | NA                 |
| 5/22/20       |  IAS                                 |  iA<br>Financial Group                       | \$974            | NA             | NA            | NA                  | NA                 |

Source(s): Pitchbook, Swiss Re Institute World insurance: riding out the 2020 pandemic storm

## DRIVER OF M&A / OBSERVATIONS

- There is plenty of opportunity in digitalizing insurance processes given the multi-trillion dollar size of total premiums written
- M&A transactions for insurance software is primarily driven by strategic software and insurance firms with PE backing.
- One of the largest deals in 2020 was Vertafore, which was sold by Bain Capital and Vista Equity Partners to Roper Technologies for \$5.4B. Vertafore's cloud-based software provides solutions for the P&C insurance industry.

## Top Insurance Software Acquirors

| Acquiror   | Acquisitions '19 – May '21 | Recent Acquisitions  |
|--|----------------------------|--|
|  insurity<br>(GI Partners)        | 6                          |  instec                     |
|  ZYWAVE<br>(Clearlake)            | 6                          |  enquiron                   |
|  APPLIED<br>(Hellman & Friedman) | 4                          |  EZlynx                    |
|  SAPIENS                        | 4                          |  tia                      |
|  |                            |  Policy Works <sup>®</sup> |
|  |                            |  indio                     |
|  |                            |  Delphi Technologies      |
|  |                            |  SUM.CUMO                 |

# Insurance Services Landscape

★ = Evolve Area of Interest

Public Market Comps page 75

## Tech-Enabled Services Provide Essential Support for Carriers

- With strong uptake in health insurance adoption in mid-2020 as a result of the pandemic, carriers are under pressure to scale their operations, which have benefited tech-enabled service providers in the industry.
- With the number of claims adjusters, appraisers, examiners and investigators projected to grow slower than other professions, tech-enabled providers need to aggressively streamline processes and increase capacity or tap into the global talent pool by outsourcing tasks to on-demand adjusters or claims administrators.
- One example of this trend is in December 2020, Aegis Corporation, a Wisconsin-based provider of mutual management and third-party claims administration, was acquired by Charles Taylor ([Evolve served as exclusive financial advisor to the seller](#)). Aegis' customers can now access Charles Taylor's full suite of global claims, insurance management, and technology solutions.

## Specialty Service Providers (Claims and Payments) ★ Page 66

|  |  |  |
|--|--|--|
| <b>TPA</b><br><br><br><br><br><br>       | <b>Subrogation / Recovery</b><br><br><br><br>          | <b>Claims Processing</b><br><br><br><br> |
| <b>Adjustors</b><br><br><br><br><br><br> | <b>Risk Management</b><br><br><br><br><br><br><br><br> |  |
|  | <b>Captive Manager</b><br><br><br><br>                 | <b>Loss Prevention</b><br><br><br>       |

## Diversified Service Providers

### Core Services

### Ancillary Services

## Specialty Service Providers (Billing and Premium) ★ Page 60

### Billing

### Premium Management

### Administration

## Specialty Service Providers (Investing and Pricing) ★ Page 63

### Investing Services

### Actuarial

# Tech-Enabled Services Market Overview

## BACKGROUND



















- Technological innovation over the past decade has presented boundless opportunities for insurance firms.
- Business service firms have been rapidly adopting and specializing in technology niches, many of which provide essential services such as billing, claims management, policy administration and risk management services.
- The COVID-19 situation has cast a spotlight on insurer resiliency, with non-tech processes facing severe bottlenecks and operational disruptions.
- Insurance tech-enabled service providers serve carriers, brokerages, agencies and other service providers.

## INDUSTRY TRENDS

- While demand for business services has traditionally been relatively dormant, COVID-19 has led to a stronger emphasis on value-add technology and customer experience.
- A surge of potential fraudulent claims related to COVID-19 has highlighted the need for fraud prevention solutions and data analytics capabilities.
- To handle the large volume of claims, firms have also started to outsource more work to external parties.
- COVID-19-driven trends will benefit firms that support various aspects of insurance policy administration.
- Regulatory complexity and global risk challenges (politics, economy, pandemic, cyber-security etc.) present additional opportunities for firms specializing in risk management and RegTech solutions.
  - Many of these firms are developing home grown software solutions to address their own needs. The software providers are able to fill the void.

## KEY RECENT M&A TRANSACTIONS

(USD, in millions)

| Announce Date | Target  | Acquiror  | Purchase Price | Revenue Multiple | EBITDA Multiple |
|---------------|---|---|----------------|------------------|-----------------|
| 3/15/21       |  Davies                                  |  BC PARTNERS         | \$1,700        | NA               | NA              |
| 2/24/21       |  Galvanize                               |  Diligent            | \$1,000        | 1.8x             | NA              |
| 2/18/21       |  Steele                                  |  SMARTDRIVE™         | \$325          | NA               | NA              |
| 1/21/21       |  DISCOVERY HEALTH PARTNERS               |  MultiPlan.          | \$155          | NA               | NA              |
| 12/30/20      |  collectivemedical®                      |  PointClickCare®     | \$650          | NA               | NA              |
| 10/1/20       |  SMARTDRIVE™                             |  OmnitracS           | \$450          | NA               | NA              |
| 9/17/20       |  CRYPsis™                                |  paloalto NETWORKS   | \$228          | NA               | NA              |
| 6/30/20       |  arvato BERTELSMANN Financial Solutions |  experian.          | \$208          | NA               | NA              |
| 5/4/20        |  eRx Network                           |  CHANGE HEALTHCARE | \$213          | 3.1x             | NA              |



# V. In-Depth Sector Research



# Market Overview

## Carriers > Traditional Carriers > P&C Insurers

P&C MARKET ACTIVITY

- According to Fitch Ratings pandemic-related losses approximate \$9B for 50 publicly traded North American re/insurers. Including Lloyds of London and large European multinational insurers, this totaled more than \$30B.
- Insurers are exploring ways to improve the underwriting process to accommodate the increased volume.
- Auto insurers have realized improved profits due to fewer accidents on the road but some struggle with fueling premiums
- Property insurers are integrating next generation practices, including the use of geolocation data, to better predict properties at risk.
- Improved underwriting has benefited consumers, through rating by peril policies and usage-based insurance.

| MARKET TRENDS                |  |
|------------------------------|--|
| Data Driven Insurance        | Root insurance emphasized the use of telematics to determine wage-based pricing  |
| Direct to Consumer           | Lemonade and Oscar's products help to insure exactly what consumers want and whenever they want                                    |
| Specialized Insurance        | There is a need to compete by product differentiation (i.e. niche enterprise and consumer insurance)                               |
| Machine Learning             | Use of ML can make insurance rating more accurate and efficient  |
| Partnerships with InsurTechs | Carriers have customer data and InsurTech has the technology infrastructure to make sense of the data to drive meaningful insights |

Source(s): Insurance Journal, Deloitte, Fitch, NAIC

U.S. PREMIUMS P&C PREMIUMS BY YEAR

(USD, in Billions)

| Year | Premiums (USD, in Billions) |
|------|-----------------------------|
| 2015 | \$590                       |
| 2016 | \$611                       |
| 2017 | \$640                       |
| 2018 | \$674                       |
| 2019 | \$707                       |
| 2020 | \$725                       |

Source: NAIC data

P&C INSURANCE STATISTICS

- State Farm Group is the largest P&C insurer with 9.1% market share in 2020 and Berkshire Hathaway is second with 6.4% share by countrywide premium in the States, U.S. Territories, Canada and Aggregate Other Alien
- Despite the impacts of higher catastrophe losses and Covid-19 in 2020, the industry reported improved underwriting results with net underwriting gains of \$12.0B versus \$8.4B in 2019.
- Overall, net income totaled \$59.1B and combined with unrealized gains of \$34.4B, lifted policyholders' surplus to a new all-time high of \$955.1B on December 31, 2020.
- In the U.S. there were 22 natural disaster events with each event totaling losses surpassing at least \$1B in 2020. The total cost of these disasters was \$96.4B, more than double the 2019 amount of \$46.1B

Source: NAIC data

# Capital Markets & Transaction Activity

## Carriers > Traditional Carriers > P&C Insurers

### CAPITAL MARKETS OVERVIEW

- The M&A outlook is optimistic, as increasing premium rates enable strong market players to seek growth opportunities through acquisitions.
- While M&A activity was slow in 1H 2020 due to the pandemic, it came roaring back in the second half and has continued into 2021. See next page for some deep dives into recent transactions.
- Insurers are experiencing improving market conditions this year (strong recovery of the recovery, lower loss rate and increased underwriting due to reopening), which helps attract capital into the industry.
- Acquisitions will likely be centered on InsurTech startups, as the incumbents explore technology platforms and digital distribution channels that can be integrated into their systems & distribution networks.





### PROLIFIC INSURANCE PRIVATE EQUITY INVESTORS

|                         |   |  |
|-------------------------|---|--|
| Financial Groups        | J.C. FLOWERS & Co.  | STONE POINT CAPITAL  |
| Key Portfolio Companies |    |   |

Source(s): PitchBook, Press Releases

### SELECT M&A TRANSACTIONS

(USD, in millions)

| Announce Date | Target  | Acquiror  | Purchase Price | Revenue Multiple | P / E | P / BV |
|---------------|---|---|----------------|------------------|-------|--------|
| 5/25/21       |    |    | \$528          | 0.7x             | 7.3x  | 0.3x   |
| 4/14/21       |    |    | \$180          | NA               | NA    | NA     |
| 4/9/21        |    |    | NA             | NA               | NA    | NA     |
| 3/23/21       |    | Constellation Insurance   | \$1,000        | 0.5x             | NMF   | NA     |
| 2/23/21       |    |    | \$3,870        | 0.4x             | NA    | NA     |
| 2/16/21       |    |    | \$338          | 0.7x             | 20.5x | NA     |
| 1/6/21        |   |   | \$4,000        | 0.7x             | 6.6x  | 1.4x   |
| 12/11/20      | Metropolitan P&C Insurance  |  | \$3,940        | 1.0x             | 12.3x | NA     |
| 11/18/20      |  |  | \$9,420        | 1.1x             | 15.3x | 1.6x   |
| 3/4/20        |  |  | \$6,880        | 0.2x             | 6.2x  | 0.3x   |

# P&C Insurance – Select Transaction Profiles

## Carriers > Traditional Carriers > P&C

### PROTECTIVE INSURANCE ACQUIRED BY PROGRESSIVE

- In February 2021, the company was acquired by Progressive for \$338mm.
- Based in Carmel, Indiana, Protective Insurance Corporation serves as the publicly-traded holding company for several property-casualty insurance subsidiaries including Protective Insurance Company, Sagamore Insurance Company and Protective Specialty Insurance Company
- Progressive expands its commercial lines products with acquisition

**PROGRESSIVE**

**PROTECTIVE**  
INSURANCE CORPORATION

### NATIONAL GENERAL INSURANCE ACQUIRED BY ALLSTATE

- In January 2021, the company was acquired by Allstate for \$4.0B.
- National General Insurance is a personal lines insurance holding company, with auto insurance representing about 60% of premium and a significant presence in the non-standard auto market.
- The acquisition is part of Allstate's strategy to grow personal lines insurance by 1% in market share.

**National General** Insurance

**Allstate**

### METROPOLITAN P&C INSURANCE ACQUIRED BY FARMERS INSURANCE

- In December 2020, the company was acquired by Farmers Exchanges and its parent company Zurich Insurance for \$3.9B.
- Metropolitan Property and Casualty Insurance (MPC) operates under the MetLife Auto & Home brand.
- With the transaction, Farmers will gain a larger national presence and strength its position as a major personal lines carrier in the U.S.
- As part of the transaction, Farmers personal lines products will also be offered on MetLife's U.S. Group Benefits platform.

**MetLife**  
(P&C Subsidiary)

**FARMERS**  
INSURANCE

**ZURICH**

### RSA GROUP ACQUIRED BY TRYG

- In November 2020, the company was acquired by Intact Financial and Tryg for \$9.4B.
- RSA Group is a multinational general insurance company headquartered in London.
- RSA has major operations in the UK, Ireland, Scandinavia and Canada, providing insurance products and services in over 100 countries through a network of local partners.
- The transaction will enable the acquirors to expand into new markets; it will strengthen Intact Financial's specialty lines platform while Tryg is expected to establish the largest non-life insurer in Scandinavia

**RSA**

**[intact]**

**Tryg**

Source: Media Reports, Pitchbook,, Press Releases

# Specialty Insurance – Market Overview

Carriers > Traditional Carriers > Specialty

Market Map on Page 21

## SPECIALTY MARKET ACTIVITY

- While demand for specialty insurance products has increased over the past decade, it has also been evolving in light of changing market conditions. Cyber liability insurance has emerged as a field that is becoming increasingly essential for businesses.
- Specialty lines continue to offer higher-margins, especially for sectors such as inland marine insurance, which offers a diverse range of niche specialty products.
- **The emergence of new and niche types of risks**, exacerbated by the pandemic and changing social conditions, **has added pressure for insurance providers, especially specialty, to adapt and introduce new products to stay relevant and competitive.**

## Emerging Risks



FINANCIAL



CYBER



CANNABIS



CLIMATE CHANGE

## MARKET TRENDS

|                             |   |
|-----------------------------|---|
| Automation & Data Analytics | Same as the overarching trend in the broad insurance industry, but data analytics is even more important in specialty given the unorthodox and ever-changing nature of the types of risks. The specialty insurance underwriting process, traditionally manual and nuanced, will be automated with tech development. |
| Customized Products         | The briskly changing socio-economic, accelerated by COVID-19, catalyzes the emergence of new types of risks (such as cybersecurity, environmental), insurance provider will have to get creative with their offering  |
| Strategic Partnerships      | In a highly competitive markets, those who can form strategic partnerships to onboard new technology, analytics capabilities, adapt to client's demand etc. will come out on top  |

## GROWTH OF CYBER INSURANCE AND NEED TO QUICKLY ADAPT

- According to an article by U.S. Government Accountability Office, between 2016-2019 the costs of cyberattacks to U.S. insurers almost doubled. During this same time period, the number of cyber policies increased by about 60%. Similarly, the number of insurers offering cyber insurance increased by about 35% between those same dates
- Via the NAIC, Cyber insurance direct premium written increased 26.5% to \$2.8B in 2020. The demand for cyber coverage continues to climb due a higher amount of network intrusions, data theft and ransomware incidents.
- According to a 2018 PwC survey of insurer directors, 44 percent believe that most existing insurers will not survive, at least in their current form, and 35 percent think the industry landscape will stay the same but the players will change substantially within five to ten years.
- Leading insurers include UnitedHealthcare, AXA, Allianz, AIG, Tokio Marine and ACE & Chubb.

# Specialty Insurance – Capital Markets & Transaction Activity

Carriers > Traditional Carriers > Specialty

## CAPITAL MARKETS OVERVIEW

- Specialty insurance providers are prime acquisition targets for insurance carriers seeking to specialize in particular fields in efforts to remain competitive in the markets.
- Increased frequency and magnitude of natural disasters and the COVID-19 situation has contributed to an increase in demand for related risk coverage, typically requiring deep specialization.
- Long-term trends of digitalization has also led to strong demand for cyber insurance, with some specialty insurance firms choosing to focus on this area.
- Specialty insurance carriers providing solutions across these fields will become strong candidates for acquisitions, as they could contribute competitive advantages for their acquirors.

## KEY FINANCIAL INVESTORS



Source(s): PitchBook, Press Releases

## KEY TRANSACTIONS

### M&A Transactions

(USD, in millions)

| Announce Date | Target  | Acquiror                       | Purchase Price | Revenue Multiple | P / E | P / BV |
|---------------|---|--------------------------------|----------------|------------------|-------|--------|
| 4/16/21       | LANCER INSURANCE<br>The Difference is Our Attitude. | CORE SPECIALTY                 | NA             | NA               | NA    | NA     |
| 2/8/21        | Centauri INSURANCE                                  | APPLIED UNDERWRITERS           | NA             | NA               | NA    | NA     |
| 1/20/21       | AEGIS   | SKYWARD SPECIALTY INSURANCE    | NA             | NA               | NA    | NA     |
| 1/15/21       | ProSight Specialty Insurance                        | Further Global TOWERBROOK      | \$586          | 0.7x             | 10.9x | 0.9x   |
| 2/20/20       | NORCAL GROUP  | PROASSURANCE<br>Insured Family | \$600          | NA               | NA    | NA     |

### Financing Transactions

(USD, in millions)

| Announce Date | Target       | Key Investor(s)            | Amount Raised |
|---------------|--------------|----------------------------|---------------|
| 1/14/21       | convex       | SIXTH STREET PARTNERS®     | \$500         |
| 12/9/20       | FIDELIS CARE | ULYSSES<br>Alfa Insurance® | \$185         |
| 2/11/20       | FIDELIS CARE | Crestview CVC              | \$800         |



# Specialty Insurance – Select Transaction Profiles

## Carriers > Traditional Carriers > Specialty

### LANCER INSURANCE TO MERGE WITH CORE SPECIALTY

- In April 2021, Lancer Insurance Company announced its decision to merge with Core Specialty.
- The merger, furthers Core Specialty's momentum in building a leading specialty insurance company
- Lancer will bring Core Specialty over 35 years of specialty commercial auto expertise that will extend the capabilities of Core Specialty's existing diversified range of specialty P&C insurance products.
- The post-merger Core Specialty will be a further diversified company with an attractive business profile, a clean balance sheet and over \$1B in equity capital.



### NATIONAL LLOYDS ACQUIRED BY ALIGN GENERAL INSURANCE AGENCY

- In June 2020, the company, a subsidiary of Hilltop Holdings was acquired by Align General Insurance Agency and its financial sponsor Bregal Sagemont for about \$154mm.
- National Lloyds is a specialty property insurer that serves mainly owners of lower value homes and mobile homes.
- The company has since rebranded to National Summit Insurance Company.
- By leveraging National Lloyds' track record in the specialty property insurance marketplace, Align aspires to create a leading domestic program underwriting platform.



### PROSIGHT GLOBAL ACQUIRED BY TOWERBROOK & FURTHER GLOBAL

- In January 2021, the public company agreed to be taken private by TowerBrook Capital Partners and Further Global Capital Management for \$586mm.
- ProSight Global is a specialty insurance company which caters to markets, while also providing claims and underwriting expertise.
- ProSight's business was attractive as its platform is well-positioned to capitalize on an increased frequency and magnitude of natural catastrophes, social inflation, and the COVID situation, which have led to market dislocations.



### NORCAL GROUP ACQUIRED BY PROASSURANCE CORP.

- The \$450 acquisition by ProAssurance was announced in February 2020, following the demutualization of NORCAL, which was previously structured as a mutual insurance company.
- NORCAL Group provides medical professional liability insurance, reporting \$342mm in DWP in 2018 and \$50mm net income.
- The transaction will create the nation's third largest specialty writer of liability insurance for healthcare professionals and facilities.
- ProAssurance will expand its scale and capabilities, through access to the California physicians market and generate operations and cost synergies.



Source: Media Reports, Pitchbook,, Press Releases

DIGITAL INSURANCE MARKET ACTIVITY

- Customer-centricity has always been a feature in the insurance industry, which strongly emphasizes relationships; while digitalization cannot completely replace relationships, it can help carriers scale a customer-centric growth approach through digital platforms and analytics.
- The proliferation of data and AI innovation has enabled carriers to offer more personalized products and competitive pricing to increase their market share.
- With the maturing digital economy, customers (especially those in the younger generations) are expecting digital upgrades to the insurance purchase experience.
- The pandemic highlighted the need for individuals to insure themselves against various risks, many of whom looked up online insurance solutions during the stay home period.

| MARKET TRENDS              |  |
|----------------------------|--|
| Data-driven Connectivity   | Digital carriers can increasingly tap into data from connected devices, aggregating them to generate customer insights to offer more personalized products.  |
| Invisible Insurance        | Insurance as a Service platforms offer digital insurance to be integrated into mainstream apps so that customers can easily navigate the options.  |
| Moving Upstream            | By moving upstream into other a wide range of financial services and non-traditional domains such as real estate, entertainment etc., insurers can leverage advanced data mining and precision marketing capabilities. |
| Expanding Digital Channels | Digital carriers can digitalize services typically performed offline, like signatures and medical underwriting among many other such tasks.  |
| No-code & Automation       | The use of no-code and automation tools essentially allow certain workflow, risk and underwriting processes to be outsourced, while gaining accuracy.  |


Source(s): Markets and Markets, McKinsey

DIGITAL INSURANCE MARKET STATISTICS


- A 2020 McKinsey analysis by measure of gross written premiums (GWP) for the top 20 US insurers showed 20 percent of insurers have a digital business, up from zero percent in just five years. In the same study for top 20 European insurers, business increased even more so, from 1% to 70%
- Tech solutions allow large players to offer insurance to customers in times of need:
  - Apple care acts as technology and warranty insurance
  - IKEA partners with iptiQ to offer home insurance to its customers
- These collaborations increase customer retention and operations in the long-run

KEY FACTORS FOR SUCCESS IN THE DIGITAL INSURANCE SPACE

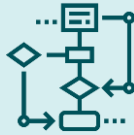
- Digital insurers need to excel in the following categories to remain competitive amid significant technological change.




Seamless customer experience with omni-channel capabilities



Digital employee experience enhanced by collaborative tools



Scalable and efficient business processes aided by data integration & AI



Innovative, value-added product & services customized to the individual

# Digital Insurance Carriers – Capital Markets & Transaction Activity

## Carriers > Digital Carriers

### CAPITAL MARKETS OVERVIEW

- Numerous later-stage companies raised over \$100mm starting in Q4:2020, such as Hippo, Waterdrop and Oscar Health. Oscar Health went public shortly thereafter in Q1 2021.
- While some large traditional carriers are seeing digital insurers to acquire to expedite their digital transformation process, these digital insurers have other options as well: by acquiring smaller traditional carriers.
- Hippo bought the carrier Spinnaker in June 2020 for an undisclosed price, while Pie Insurance announced its acquisition of American Sentinel Insurance Company in October 2020 to build out its carrier platform.

### KEY FINANCIAL INVESTORS

Financial Groups

Illustrative Portfolio Companies

Note: Hippo is a digital MGA that has acquired an insurance carrier.  
Source(s): PitchBook, Press Releases

### RECENT FINANCING TRANSACTIONS

(USD, in millions)

| Announce Date | Target            | Key Investor(s)                                  | Amount Raised |
|---------------|-------------------|--|---------------|
| 4/13/21       | Clearcover        | AMERICAN FAMILY VENTURES<br>ELDRIDGE             | \$200         |
| 4/1/21        | NEXT              | FinTLV<br>Battery                                | \$250         |
| 3/25/21       | PIE INSURANCE     | GREYCROFT<br><small>A company of Allianz</small> | \$118         |
| 12/17/20      | OSCAR             | DRAGONEER INVESTMENT FUND<br>TIGERGLOBAL         | \$140         |
| 11/24/20      | BESTOW            | NEA  | \$70          |
| 11/20/20      | 水滴 WATERDROP INC. | IDG Capital<br>Tencent 腾讯<br>Swiss Re            | \$251         |

# Digital Insurance Carriers – Select Transaction Profiles

## Carriers > Digital Carriers

### CLEARCOVER RAISED A \$200 MILLION SERIES D ROUND

- In April 2021, the company raised \$200mm as part of a late-stage financing round (Series D) led by Elridge, with an estimated post-valuation of \$1B.
- Clearcover is a digital car insurance provider that uses an API-first approach.
- Other investors in the round include American Family Ventures, Cox Enterprises, OMERS Ventures and Geodesic Capital.
- The funds will help accelerate innovation in the company's digital insurance offerings, through investments in its insurance, product, and engineering teams.



### NEXT INSURANCE RAISED A \$250 MILLION VC ROUND

- In March 2021, the company raised \$250mm of venture funding led by FinTLV Ventures and Battery Ventures, with a post-valuation of \$4B.
- Investors in the round include CapitalG, Gsquared, Founders Circle Capital, Zeev Ventures.
- The new round follows the company acquisition of Juniper Labs in December 2020, which offers predictive analytics technology that can be applied on Next Insurance's insurance products.
- In March 2021, the company announced a \$500mm to acquired digital insurance agency AP Integro.



### PIE INSURANCE RAISED A \$118 MILLION SERIES C ROUND

- In March 2021, Pie Insurance raised \$118mm in a Series C round led by Allianz X and Acrew Capital, with a post-valuation of \$876mm.
- Pie Insurance provides workers compensation insurance exclusively to small businesses.
- The company operates as an MGA, but has been building its carrier platform since its acquisition of American Sentinel Insurance Company in October 2020.
- SVB Capital, Moxley Holdings, Elefund, Greycroft and Sirius International also participated in the round.
- The new funds will be used to invest in technology and automation, grow its core business and provide groundwork for new business offerings in the future.



### BROLLY INSURANCE ACQUIRED BY DIRECT LINE GROUP

- In July 2020, Brolly Insurance company was acquired by Direct Line Group for an undisclosed amount.
- Brolly provides digital insurance for individuals through their AI-powered insurance concierge application, which also helps with insurance policy management.
- The application helps to identify potential gaps and duplication in coverage, while helping customers search for better insurance transactions.
- The acquisition follows Direct Line Group's vision to deliver insurance products that help people to carry on with their lives, with a peace of mind.
- The Brolly team will help the Group accelerate its transformation into a leading digital insurance player.



Source(s): Media Reports, Pitchbook, Press Releases



# Insurance Distribution (Traditional) – Market Overview

## Distribution > Traditional Underwriting Distribution

Market Map on Page 26

### TRADITIONAL INSURANCE DISTRIBUTION MARKET ACTIVITY

- The insurance distribution space is highly fragmented and remains ripe for further consolidation.
- In the wake of COVID-19, there is one essential theme for brokers: a greater reliance and insistence on technology.
- The pandemic has accelerated digital transformation of the industry, with digital insurers holding a strong advantage over incumbents that are trying to implement and accelerate digital channels and migrate back-office capabilities to the cloud
- In Q1: 21, **some companies in the space announced impressive organic revenue growth in compared to Q1: 20. A few examples:**



### MARKET TRENDS

|   |   |
|---|---|
| Full Cloud Adoption                     | In addition to insurance products, other related products and services that are associated with brokerages are increasingly being offered online.                                       |
| Product Customization & Personalization | Younger insurance buyers expect more personalized and flexible insurance products. Firms need to build out data systems to address the coverage needs of their clients more accurately. |
| Increased Focus on Compliance           | Regulatory landscape for brokers has become more dynamic, changing constantly in recent years.  |
| Cybersecurity as Top Priority           | With the remote work culture, firms need to invest in security systems and experts to secure client data, and on employee education.  |
| Adapting to Evolving Work Models        | Traditional brokerages need to adopt new technologies and methods of communication and collaboration, to maintain productivity and continue to serve their clients remotely.            |

### GROWING PRESSURE TO RAPIDLY DIGITIZE OPERATIONS

- In a 2020 Deloitte report, they reported that according to brokers, the typical client would take an average of 11 hours to perform similar tasks in searching for and purchasing insurance, which could result in significant cost savings if delegated to an experienced broker.
- According to Statista, 68% of young insurance agents believe that the industry is too slow to adapt to new technology.
- Tech-savvy consumers are adding pressure on traditional distribution companies: a 2020 CapGemini report revealed that 36% respondents in a survey said they would consider purchasing insurance from Big Tech, compared to just 17% in the 2016 report.



# Insurance Distribution (Traditional) – Capital Markets Activity

## Distribution > Traditional Underwriting Distribution

### CAPITAL MARKETS OVERVIEW

- The insurance distribution sector has remained very resilient amid the pandemic and socioeconomic challenges, a key factor in driving M&A activity to record levels this year despite a temporary pause in 2020.
- Insurance distributors are prime investment targets as they have been able to produce predictable and consistent revenue streams, as well as high margins. This has proven to be sustainable through the Great Recession and the recent pandemic.
- Those that sell are driven by a desire to scale their operations and need access to technology to compete effectively. Naturally, they are also attracted by record-high valuations in the market.
- Although there are fewer independent buyers due to pandemic concerns, the more established buyers have been able to take full advantage in a hyperactive market.
- Significant capital has been invested into platforms acquiring these firms, such as BDT's \$3.5B investment into Acrisure to continue its rollout campaign.

### KEY FINANCIAL INVESTORS



Source(s): PitchBook, Press Releases

### KEY M&A TRANSACTIONS

(USD, in millions)

| Announce Date | Target  | Acquiror                              | Purchase Price | Revenue Multiple | EBITDA Multiple |
|---------------|---|---------------------------------------|----------------|------------------|-----------------|
| 5/27/21       | <b>bgc</b><br>(insurance)                         | <b>Ardonagh</b><br>GROUP              | \$500          | 2.6x             | NA              |
| 4/28/21       | <b>BOLTON</b><br>& COMPANY                        | <b>IMA</b>                            | NA             | NA               | NA              |
| 4/21/21       | <b>confie</b>                                     | <b>Alliant</b>                        | NA             | NA               | NA              |
| 4/16/21       | <b>High Street</b><br>INSURANCE PARTNERS          | <b>abry partners</b>                  | NA             | NA               | NA              |
| 4/2/21        | <b>PayneWest</b><br>INSURANCE                     | <b>MARSH &amp; MCLENNAN</b><br>AGENCY | NA             | NA               | NA              |
| 3/4/21        | <b>ISC</b>  | <b>KKR</b>                            | NA             | NA               | NA              |
| 6/30/20       | <b>Associated</b><br>Benefits and Risk Consulting | <b>USI</b>                            | \$266          | 3.0x             | NA              |
| 3/9/20        | <b>Willis Towers Watson</b>                       | <b>Aon</b>                            | \$30,000       | 3.2x             | 12.0x           |

# Insurance Distribution (Traditional) – Select Transaction Profiles

## Distribution > Traditional Underwriting Distribution

### WORLDWIDE FACILITIES ACQUIRED BY AMWINS GROUP

- In March 2021, it was announced the company was acquired by Amwins Group for an undisclosed sum, from previous owner Genstar Capital.
- Worldwide Facilities is a national wholesale insurance broker, MGA and program underwriter. They provide in a wide range of specialty lines, as well as extensive contacts with carriers domestically and overseas
- The transaction will complement Amwin's brokerage, binding authority, underwriting and group benefits capabilities.
- Amwins' casualty and professional lines capabilities will strengthen, while its geographical footprint will expand on the West Coast.



### RYAN SPECIALTY GROUP SET TO IPO

- In March 2021, Ryan Specialty Group (RSG) announced its plan to conduct an initial public offering of its Class A common stock, subject to SEC review.
- RSG is a specialty insurance organization that provides wholesale brokerage and underwriting management services. Proceeds from the IPO will be used to reduce the firm's debt load.
- The announcement comes six months after RSG closed on its acquisition of another large wholesaler, All Risks
- RSG was incorporated in 2009 and has roughly 3,300 employees and more than 70 offices.



PENDING APPROVAL

### HISCOX MGA MARINE BUSINESS ACQUIRED BY NEXUS GROUP

- In December 2020, the marine business was acquired by specialty MGA Nexus Group and will become part of Millstream Underwriting, a Nexus Group company that specializes in consumer insurance.
- Hiscox MGA provides underwriting capacity for several industries, with the marine business underwriting yachts and the marine trades industry.
- This is Nexus' 18<sup>th</sup> acquisition since inception. The marine unit has a sizable specialty underwriting business that will increase Nexus' premiums to \$1B in 2023 from \$500mm.



### WILLIS TOWERS WATSON SET TO BE ACQUIRED BY AON

- In March 2020, Aon announced that it would acquire WTW for \$30B.
- Willis Towers Watson is a global risk management advisory, insurance broking and solutions company. The firm is the third largest insurance broker in the world.
- The transaction, which will create the largest insurance broker, will enable both companies to share their expertise in growing fields of risk.
- Regulators are evaluating the transaction due to concerns that it will lead to reduced industry competition, price increases, or reduced service levels for customers.



PENDING APPROVAL

Source(s): Media Reports, Pitchbook,, Press Releases


DIGITAL INSURANCE MARKET ACTIVITY

- Digital MGAs tend to be nimble, which puts them in a position to innovate through digital transformation or push new products (such as cannabis coverage) to market quickly compared to incumbents.
- Numerous digital MGAs have transitioned into digital carriers, notably Root Insurance, Metromile, and Clearcover. Those with superior underwriting performance would want to reduce dependency on carriers and capture more profits for themselves to meet the financial performance expectations of their financial investors.
- Hippo is also moving towards a carrier model, with its acquisition of Spinnaker Insurance Company. In 2019, Hippo's reinsurer and investor Munich Re stopped reinsuring the company due to Hippo's growth putting it out of their appetite.
- Digital MGAs have also been expanding InsurTech partnerships to scale rapidly and offer more diverse set of offerings to succeed in a competitive landscape.
- In a recent McKinsey analysis, they measured the impact technology can have on policy serving and claims:
  - An analysis of large-scale programs for insurance IT modernization finds that insurers that deploy policy servicing IT and other product, pricing, and underwriting technologies have seen improvements in their profit margins by 5% to 10% in P&C insurance and 10% to 15% percent in life insurance
  - A similar analysis concluded that P&C insurers who can leverage automated case processing (e.g. machine learning technology) can help P&C insurers improve profit margins by 25% to 40%, according to McKinsey analysis of large-scale IT modernization programs

MARKET TRENDS


|                                     |   |
|-------------------------------------|---|
| Quoting Automation                  | One of the major trends for digital MGAs is to automate the quoting process using API driven data, so that quotes are delivered as soon as possible.  |
| Increasing Use of Workflow Software | Using technology to perform administrative tasks can help save time, which can be used for critical underwriting tasks and provide competitive solutions.   |
| Exploring Digital Carrier Model     | With modern digital capabilities and sufficient capital available, digital MGAs are exploring a carrier model which may benefit from lower customer acquisition costs.                                  |
| Cybersecurity                       | Cybersecurity is a relatively new field that has been attracting attention from investors, especially for those firms focusing on specialty / MGA solutions such as Coalition, At-Bay and Envelop Risk. |

MAJOR TECH-ENABLED INTERMEDIARY CATEGORIES




Direct Distribution:

Insurance Sold Directly to Businesses (Offering Online Rate-Quote-Bind Services)



Tech-Enabled MGAs:

Leverages Tech to Power Underwriting; Insurance Sold Directly to Businesses or Brokers



Digital Brokerages:

Uses Tech to Streamline Client Workflows; Insurance Sold Through Brokers

# Insurance Distribution (Digital) – Capital Markets & Transaction Activity

## Distribution > Traditional Underwriting Distribution

### CAPITAL MARKETS OVERVIEW

- Carriers are looking towards acquiring MGAs, especially those with digital capabilities, amid a soft market. This is a potentially effective way to grow top-line revenue.
- As many of the MGA InsurTech firms are still relatively small, carriers have also been partnering with these MGA firms by tapping into their underwriting expertise in specific industries.
- MGAs have been acquiring local agencies to go downstream and expand geographical markets.
- Many tech MGAs have been raising funds to expand digital capabilities, while some choose to partner with other InsurTech firms.
- Wholesalers have been pursuing a digital strategy by acquiring or merging with smaller InsurTech firms.

### KEY FINANCIAL INVESTORS



Source(s): PitchBook, Press Releases

### KEY TRANSACTIONS

#### M&A Transactions

(USD, in millions)

| Announce Date | Target                  | Acquiror                 | Purchase Price | Revenue Multiple | EBITDA Multiple |
|---------------|-------------------------|--------------------------|----------------|------------------|-----------------|
| 4/19/21       | e-TeleQuote INSURANCE   | PRIMERICA                | \$360          | NA               | NA              |
| 3/3/21        | AP Intego               | NEXT                     | \$500          | NA               | NA              |
| 12/31/20      | GAINSCO Auto Insurance* | State Farm*              | \$400          | NA               | NA              |
| 12/28/20      | Confused.com*           | Zoopla                   | \$720          | 3.8x             | 17.3x           |
| 11/9/20       | COVERHOUND*             | Brown & Brown INSURANCE* | NA             | NA               | NA              |

#### Financing Transactions

(USD, in millions)

| Announce Date | Target   | Key Investor(s)   | Amount Raised |
|---------------|--|---|---------------|
| 5/10/21       | kin.   | HUDSON STRUCTURED                                       | \$64          |
| 4/12/21       | THE zebra  | KOCH  | \$150         |
| 3/17/21       | policybazaar.com<br><small>Compare. Buy. Save.</small> | FALCON EDGE CAPITAL                                     | \$75          |
| 3/10/21       | ZEGO   | DST   | \$150         |
| 2/1/21        | Coalition*   | Index Ventures  VALOR<br><small>EQUITY PARTNERS</small> | \$175         |
| 1/26/21       | sidecar health   | TIGERGLOBAL  DRIVE CAPITAL                              | \$125         |



# Insurance Distribution (Digital) – Select Transaction Profiles

## Distribution > Traditional Underwriting Distribution

### THE ZEBRA RAISED \$150 MILLION IN A SERIES D ROUND

- On April 12, 2021, The Zebra announced that it has raised a \$150mm Series D, at a \$1B valuation.
- The Zebra is an Austin-based company that operates an insurance comparison site.
- The leading investor for the round was not announced, but sources alleged it was London-based Hedosophia.
- The round was a significant increase from its previous raise of \$38.5mm in February 2020.
- The company doubled its net revenue to \$79mm in 2020 from the previous year.



### AP INTEGO ACQUIRED BY NEXT INSURANCE

- On March 3, 2021, Next Insurance announced its acquisition of AP Intego, which will increase its headcount to almost 600 based in four major offices.
- AP Intego is a digital insurance agency that provides a suite of commercial insurance products for small businesses.
- The transaction follows a \$250mm VC round by the Company in March, based on a \$4B valuation. Total funding is over \$880mm.



### CONFUSED.COM ACQUIRED BY ZOOPLA PROPERTY GROUP

- On December 28, 2020, Zoopla Property Group (ZPG) announced its acquisition of Confused.com, along with the rest of the Penguin Portals group of companies from Admiral Insurance.
- Confused.com is a British insurance comparison website for car and home insurance.
- The transaction includes assets from Admiral Insurance, as well as Spanish insurance giant MAPFRE's stake in some of these businesses, totaling \$680mm.
- ZPG has said it will control the acquired businesses through its comparison site division, RVU.



### COVERHOUND ACQUIRED BY BROWN & BROWN

- On November 9, 2020, CoverHound, along with its subsidiary CyberPolicy, was acquired by Brown & Brown.
- CoverHound provides an insurance comparison platform for personal and business insurance.
- The transaction will combine Brown & Brown's strong carrier relationships with CoverHound's marketplace technology to offer curated choices and digital simplicity for customers.
- Through the transaction, Brown & Brown will gain additional access to the fast-growing digital insurance market for both individuals and small businesses.



Source(s): Media Reports, Pitchbook,, Press Releases

*Note: This section primarily focuses on policy administration, agency management systems. Billing, claims management, analytics solutions will be covered in later sections. (Pages 59 to 68)*

SPECIALIZED SOFTWARE MARKET ACTIVITY

■ Workplace digitalization has been in progress throughout the last decade, but the pandemic brought urgency to this process across the insurance industry.

– In China the pandemic has bolstered the popularity and usage of online platform services like Ping An's Group Doctor, which connects patients and doctors and provides online consultation services, has seen growth levels of some 900 percent since the situation began\*.

– “In 2008, the global financial crisis led to the re-design of payments systems and processes and brought to the horizon new entrants like the fintechs. Twelve years later, COVID-19 will most likely lead the insurance sector to accelerate business innovation and shift more quickly from physical to digital channels and products, with end-to-end automation and optimization of processes from intake through to claims.”

■ In a recent KPMG article titled “COVID-19 puts insurers on the fast-track to technology adoption”, the statement was made:

– Customers are increasingly demanding operational simplicity and convenience. Insurance software providers make it easier by packaging core features into a single software suite that are highly integrated to create a one-stop solution.

– Software suites are also becoming highly modular, where customers only purchase features that are desirable.

MARKET TRENDS

Workflow Automation

Automating processes for advertising, purchasing and regulating insurance services will make insurance solutions more personalized for consumers

Customer Analytics

By accumulating data over time, insurance companies can perform a deep analysis of customer needs and recommend an optimal package of solutions

Advanced CRM Adoption

As CRMs become more sophisticated, firms need to learn and adopt advanced CRM systems to monitor the effectiveness of sales and other business processes

Integration of Digital Documents

Advanced insurance software can manage all sorts of insurance-related paperwork, which helps with collaboration across all divisions of a company

FUNDAMENTAL INSURANCE SOFTWARE MODULES

Policy Administration

Insurance Billing

Claims Management

Insurance Quoting / Rating

Agency / Risk Management System

Data Analytics

Comprehensive Insurance Software Suite

Source(s): \* Huang, J. (2020, February 25). China's online health platforms see spike in usage amid coronavirus outbreak. Retrieved from S&P Global Market Intelligence.

# Specialized Software – Capital Markets & Transaction Activity

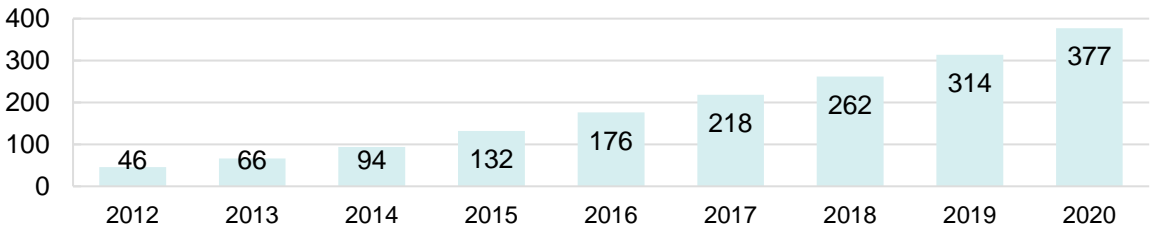
## Software Solutions > Specialized Software

*Note: This section primarily focuses on policy administration, agency management systems. Billing, claims management, analytics solutions will be covered in later sections. (Pages 61 to 75)*

### CAPITAL MARKETS OVERVIEW

- Global InsurTech investment reached \$7.1B in 2020, a record high despite the pandemic challenges. There was a total of 377 InsurTech investment transactions in 2020, higher than any other year.
- Funding has increased by 12% in 2020 compared to 2019, with transaction count up 20%.

#### Transaction Count



### KEY FINANCIAL INVESTORS

Financial Groups

GI PARTNERS

Hellman&Friedman

CLEARLAKE

Key Portfolio Companies

insurity

APPLIED

ZYWAVE

Source(s): Media Reports, Pitchbook, Press Releases

### KEY M&A TRANSACTIONS

(USD, in millions)

| Announce Date | Target                          | Acquiror              | Purchase Price | Revenue | EBITDA | EV / Revenue | EV / EBITDA |
|---------------|---------------------------------|-----------------------|----------------|---------|--------|--------------|-------------|
| 5/14/21       | modic                           | ZYWAVE                | NA             | NA      | NA     | NA           | NA          |
| 4/14/21       | instec                          | insurity              | NA             | NA      | NA     | NA           | NA          |
| 3/9/21        | EZlynx                          | APPLIED               | NA             | NA      | NA     | NA           | NA          |
| 12/23/20      | ITC Limited                     | ZYWAVE                | NA             | NA      | NA     | NA           | NA          |
| 11/24/20      | OneShield SOFTWARE              | PACIFIC LAKE PARTNERS | NA             | NA      | NA     | NA           | NA          |
| 11/12/20      | ZYWAVE                          | CLEARLAKE             | \$900          | \$100   | NA     | 9.0x         | NA          |
| 11/6/20       | CODEOBJECTS an insurity company | insurity              | \$95           | NA      | NA     | NA           | NA          |
| 7/27/20       | Delphi Technologies             | SAPIENS               | \$19.6         | NA      | NA     | 1.3x         | NA          |
| 7/7/20        | VirtualMGA an insurity company  | insurity              | NA             | NA      | NA     | NA           | NA          |

# Specialized Software – Select Transaction Profiles

## Software Solutions > Specialized Software

### INTEC ACQUIRED BY INSURITY

- In April 2021, Insurity and its financial sponsor GI Partners acquired Intec for an undisclosed sum.
- Intec provides a SaaS-based policy administration platform that P&C carriers and MGAs can leverage to launch insurance programs or specialty offerings in a short period of time.
- By combining solutions from both companies, P&C carriers and MGAs will be able to introduce new products in half the time, a key factor for them to stay competitive.



### ZYWAVE ACQUIRED BY CLEARLAKE CAPITAL

- In November 2020, Zywave was acquired by Clearlake Capital Group and its management for \$900mm.
- Zywave is a SaaS provider of front office insurance solutions, so that insurance brokerages can manage customer relationships by streamlining various operational and business processes.
- The transaction will enable Zywave to accelerate its organic growth and increase its pace of acquisitions.

ZYWAVE



### EZLYNX ACQUIRED BY APPLIED SYSTEMS

- In March 2021, EZLynx was acquired by Applied Systems, via its financial sponsors Hellman & Friedman, Capital G, JMI Equity and Stone Point Capital, for an undisclosed amount.
- EZLynx is one of the fastest growing agency management systems in the country.
- EZLynx's technology will be integrated into Applied Systems' existing product portfolio to enhance digital solutions for agencies of all sizes.



### DELPHI TECHNOLOGY ACQUIRED BY SAPIENS

- In July 2020, Delphi Technology was acquired by Sapiens International for an undisclosed amount.
- Delphi Technology provides core products for the medical professional liability insurance carrier markets, including policy administration, claims management, and risk management.
- The acquisition will provide Sapiens domain knowledge in the medical professional liability area and a customer base to advance its market position in the US.



SAPIENS

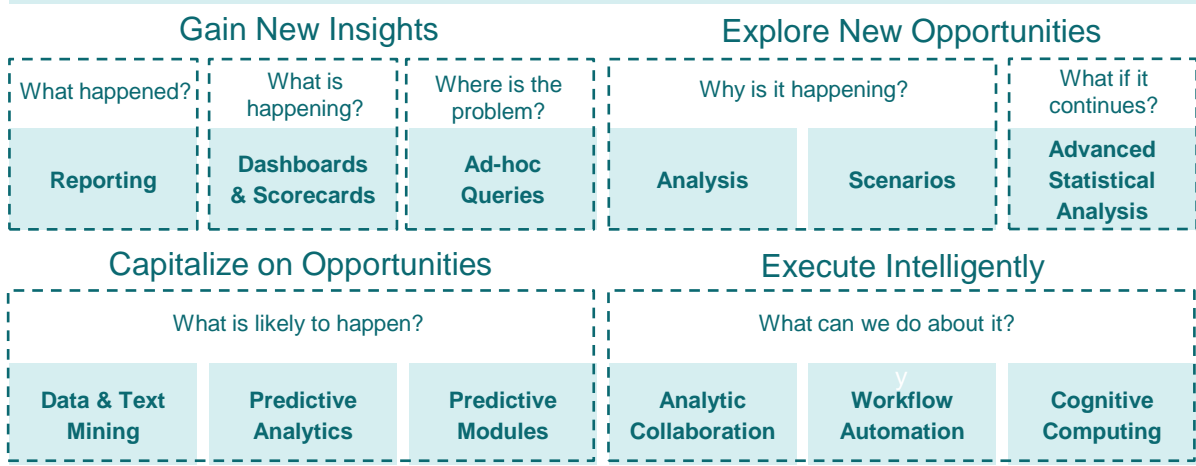
Source(s): Media Reports, Pitchbook, Press Releases



### DATA ANALYTICS MARKET ACTIVITY

- Larger insurance firms have been on the lookout for analytics companies that can provide significant synergies, such as Verisk, Next Insurance, Bold Penguin, and Insurity.
- For smaller insurance firms, many have been advancing further into the advanced analytics space, but are likely to favor partnerships, joint ventures or alliances as they tend to lack resources compared to larger competitors.
- The pandemic has caused seismic shifts in the economy and social behavior. The use of advanced analytics will enable insurance companies to better analyze the changes in order to better adapt their products and strategies.
- With more frequent digital usage since the pandemic, there is also a lot more data (traditional and non-traditional) available that can offer deep insights for insurance companies.

### BUSINESS INTELLIGENCE & ANALYTICS SPECTRUM FOR INSURERS



### MARKET HAPPENINGS

- **The increased usage of AI**, will have a major result on data accessibility from the insurance industry
  - Experts estimate there will be up to one trillion connected devices by 2025\*
- The connected devices will allow firms to get smarter on their customers and create newer, enhanced and more tailored products
- **Open Source Protocols:** As open-source becomes more common across industries, access to data will make insurers smarter
  - Whether this is for connected devices to carriers or other means, analytics and access will be a key driving force

(Source(s): \*World Economic Forum, 2015)

### ESSENTIAL USE CASES OF DATA AND CORRESPONDING DATA TYPES

|                           |  |  |
|---------------------------|--|--|
| <b>Marketing</b>          | Marketing Campaigns                          | Psychographic                                |
| <b>Product Management</b> | New Product Development, Pricing             | State Insurance Rate Filings                 |
| <b>Claims</b>             | Subrogation Recoveries                       | Warranty Data, Product Recalls               |
| <b>Underwriting</b>       | Risk Profile Enhancement, UW Risk Assessment | Motor Vehicle Records (MVRs), Credit Reports |
| <b>Sales</b>              | Lead Generation                              | College Alumni Records                       |
| <b>Medical Management</b> | Health and Wellness Management               | Prescription                                 |

# Data Analytics – Capital Markets & Transaction Activity

## Software Solutions > Data Analytics

### CAPITAL MARKETS OVERVIEW

- To enhance their competitiveness, key players in the insurance industry have sought to acquire analytics firms that can offer strategic advantages.
- Insurity's acquisition of SpatialKey will enhance its underwriting decisioning solutions, while Juniper Labs will offer better precision to Next Insurance's risk assessment process.
- Larger, established firms tend to have the financial capabilities to acquire insurance analytics providers; there are typically stronger synergies from these transactions as well.
- To access cutting-edge technology and analytics, smaller firms have become more open to getting acquired by larger firms or PE-backed firms, increasing M&A activity in recent times.

### KEY STRATEGIC INVESTORS

Key Strategic Groups



Key Portfolio Companies



Source(s): PitchBook, Press Releases

### KEY TRANSACTIONS

#### M&A Transactions

(USD, in millions)

| Announce Date | Target                          | Acquiror          | Purchase Price | Revenue Multiple | EBITDA Multiple |
|---------------|---------------------------------|-------------------|----------------|------------------|-----------------|
| 5/14/21       | modGIC                          | ZYWAVE            | NA             | NA               | NA              |
| 3/10/21       | RPC                             | QOMPLX:           | NA             | NA               | NA              |
| 12/15/20      | JORNAYA<br>The Power of Intent™ | Verisk            | NA             | NA               | NA              |
| 12/10/20      | Juniper                         | NEXT<br>INSURANCE | NA             | NA               | NA              |
| 10/6/20       | riskgenius                      | BOLD<br>PENGUIN   | NA             | NA               | NA              |

#### Financing Transactions

(USD, in millions)

| Announce Date | Target    | Key Investor(s)  | Amount Raised |
|---------------|-----------|--|---------------|
| 11/25/20      | CORVUS    | INSIGHT<br>PARTNERS  | \$100         |
| 6/10/20       | PLANCK    | TEAM8™<br>ARBOR<br>NATIONWIDE VENTURES<br>Making Business Easy | \$16          |
| 3/9/20        | CyberCube | ForgePoint<br>CAPITAL<br>HUDSON<br>STRUCTURED                  | \$40          |

# Data Analytics – Select Transaction Profiles

## Software Solutions > Data Analytics

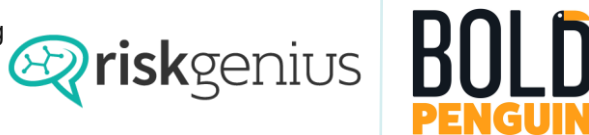
### QOMPLX ACQUIRED BY TAILWIND ACQUISITION

- In March 2021, QOMPLX announced it was acquired by Tailwind Acquisition Corp. via a SPAC transaction. The firm is trading on the New York Stock Exchange.
- QOMPLX provides risk analytics solutions that help organizations quantify, model and predict risk in the cybersecurity and insurance domains.
- The transaction will expedite QOMPLX's ability to reach more customers globally, supporting the continued development of the core technology platform for mission critical customer applications.
- Cyber intelligence and analytics solutions provider Sentar and insurance modeling and actuarial platform Tyche were acquired as part of the transaction.



### RISKGENIUS ACQUIRED BY BOLD PENGUIN

- In October 2020, RiskGenius was acquired by Bold Penguin for an undisclosed amount.
- RiskGenius provides insurance document intelligence solutions, by applying machine learning to insurance policies so that users can rapidly understand terms of coverage used in policy documents.
- Bold Penguin's efforts to digitize small business distribution complements with RiskGenius' policy analysis focus, expanding their understanding of every part of the insurance supply chain.



### JUNIPER LABS ACQUIRED BY NEXT INSURANCE

- In December 2020, Juniper Labs was acquired by Next Insurance for an undisclosed amount.
- Juniper Labs provide API solutions for underwriters, agents and brokers to retrieve data and insights about small businesses.
- The Juniper Labs team will join Next Insurance's machine learning and data analytics group and will help launch the Next Insurance Data Labs.
- The lab will develop solutions to drive growth and risk-based pricing, by combining human-centric design, actuarial science, and machine learning.



### SPATIALKEY ACQUIRED BY INSURITY

- In January 2020, Insurity announced its acquisition of SpatialKey for an undisclosed amount.
- SpatialKey provides geospatial analytics, data enrichment, and risk intelligence solutions for the P&C insurance industry.
- The transaction will broaden Insurity's data and analytics offerings, building on its acquisition of Valen Analytics in 2017.
- By expanding its existing product suite, Insurity will strengthen its market leadership for insurance data solutions.



Source(s): Media Reports, Pitchbook, Press Releases





# Diversified Software – Capital Markets & Transaction Activity

## Software Solutions > Diversified Software

### CAPITAL MARKETS OVERVIEW

- 2020 was a major milestone for companies that provide diversified solutions, with three major transactions: Majesco, Vertafore, and Charles Taylor.
- Heading into the back end of 2021, PE firms with dry powder are looking to build sustainable investment platforms in the insurance industry. A wide range of add-on companies are compatible with diversified software companies.
- After being acquired, Majesco acquired cloud-based claim management software provider ClaimVantage, while Charles Taylor has announced at least four acquisitions since then.
- Davies Group has been acquiring several companies over the past few years (with HGGC backing), and the M&A momentum can be expected to continue with backing from its new financial sponsor, BC Partners.

### KEY FINANCIAL / STRATEGIC INVESTORS

Strategic  
Investors /  
Financial  
Groups

Hellman & Friedman

SAPIENS

Key Portfolio  
Companies

sprinklr















SUM.CUMO

APPLIED

tia

### KEY M&A TRANSACTIONS

(USD, in millions)

| Announce Date | Target  | Acquiror  | Value (\$MM) | Multiple Revenue | Multiple Earnings |
|---------------|---|---|--------------|------------------|-------------------|
| 4/1/21        |    |    | NA           | NA               | NA                |
| 3/16/21       |    |    | \$1.7B       | NA               | NA                |
| 11/9/20       |    |    | \$78         | 0.2x             | NA                |
| 9/21/20       |    |    | \$729        | 5.0x             | NA                |
| 9/3/20        |    |    | \$5,400      | NA               | NA                |
| 1/22/20       |    |    | \$372        | NA               | NA                |
| 1/7/20        |  |  | NA           | NA               | NA                |

Source(s): PitchBook, Press Releases

# Diversified Software – Select Transaction Profiles

## Software Solutions > Diversified Software

### DAVIES GROUP ACQUIRED BY BC PARTNERS

- In March 2021, Davies Group announced its acquisition by BC Partners for \$1.7B
- Davies Group is a specialist professional services and technology provider, delivering tech-enabled outsourcing solutions across the risk and insurance value chain.
- The partnership will diversify and strengthen Davies' shareholder base, while it continues to expand globally.
- Davies will increase investment in technology and digital transformation solutions, and continue to partner with complementary businesses through M&A activity.



### VERTAFORE ACQUIRED BY ROPER TECHNOLOGIES

- In September 2020, Vertafore was acquired by Roper Technologies for \$5.4B.
- Vertafore is a cloud-based insurance software and services provider based in Denver, Colorado.
- The firm specializes in developing software with complete integrated applications, with data-driven capabilities to help with business decisions.
- Vertafore is attractive for Roper due to its clear leadership in the niche market, strong management team, high customer retention, and a long track record of consistent revenue and cash flow growth.



### MAJESCO ACQUIRED BY THOMA BRAVO

- In September 2020, Majesco was acquired by Thoma Bravo for \$729mm and ceased trading in the markets.
- Majesco is a cloud-based insurance software solutions provider, specializing in insurance business transformation.
- Thoma Bravo will leverage its operational experience to enhance Majesco's capabilities and support the continued growth of the business in the software solutions sector.



### CHARLES TAYLOR ACQUIRED BY LOVELL MINNICK PARTNERS

- In January 2020, Charles Taylor was acquired by Lovell Minnick Partners for \$372mm, and was subsequently delisted from the public markets.
- Charles Taylor is a provider of services and technology solutions to the global insurance market.
- Lovell Minnick will support Charles Taylor to grow its adjusting, medical assistance, and other claims services businesses around the world.
- In addition, the partnership will support the sustainable growth of Charles Taylor's Insurance Management clients and further develop its InsuTech business.



Source(s): Media Reports, Pitchbook, Press Releases

Insurance Billing & Premiums – Market Overview

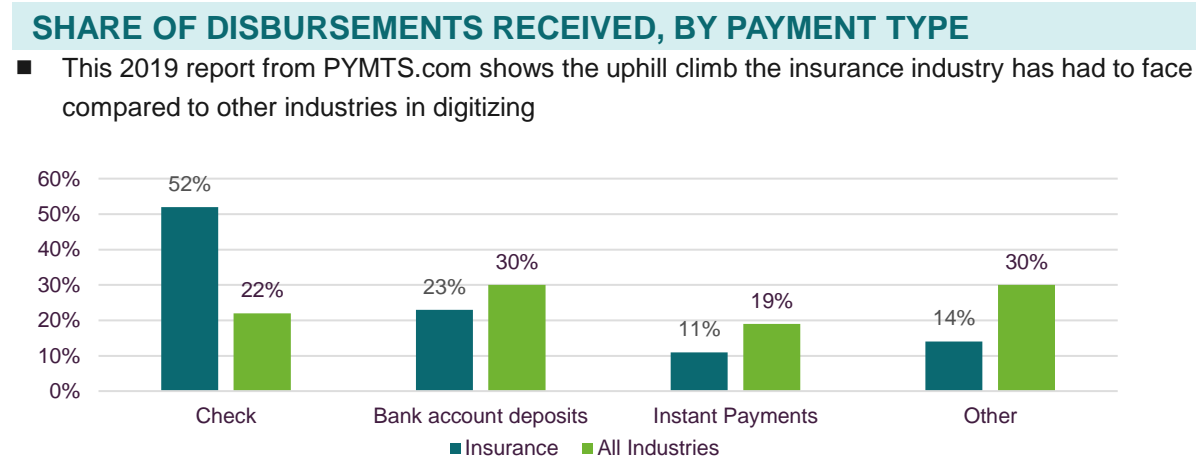
Market Map on Page 32

Tech-Enabled Services &gt; Specialty Service Providers (Billing and Premium)

INSURANCE BILLING & PREMIUMS MARKET ACTIVITY

- Insurance software and claims services providers have been exploring options to expand their product suite, with some choosing to strengthen their payment offerings.
- For firms with a wide range of products, payments integration can provide clients with a frictionless payments experience.
- This will make it easier to provide customized and flexible billing for clients, with additional services packaged under a single invoice, embedded within the core software.
- By pushing for integration of their payment solutions into external products, companies will become more recognizable to insurance professionals, helping them to expand their potential customer base.

| MARKET TRENDS                 |  |
|-------------------------------|--|
| Growing customer expectations | Customers increasingly expect easy and intuitive digital experiences, which they have gotten accustomed to by using major tech platforms in their daily lives. Payments is an integral part of that experience.                                |
| Contactless payments          | The retail industry has quickly adopted contactless payments with the pandemic. Insurance companies also need to transition quickly to adapt to changing customer behavior and preferences.  |
| Versatile payment platforms   | Payment platforms have been focusing on easy integration into existing systems, while offering numerous payment options at a competitive pricing. Some have emphasized their security features in protecting sensitive customer payments data. |
| Versatile payment platforms   | Payment platforms have been focusing on easy integration into existing systems, while offering numerous payment options at a competitive pricing. Some have emphasized their security features in protecting sensitive customer payments data. |



CUSTOMIZING PAYMENTS FOR THE MILLENNIAL GENERATION

- Millenials have become the most populous generation and the largest customer segment for insurers. They also have high expectations for the billing and payments process.
- To improve the insurance billing process, firms need to consider chief factors like speed, convenience and whether it fits into a mobile-first lifestyle.
- In line with this, **State Farm announced on May 11<sup>th</sup> that is working with the payments fintech Fiserv Inc. to give customers faster payouts for car and fire claims.**

Statistics on Millennials

They are 5x as likely to set up automatic payments via mobile

73% use mobile banking (compared to 37% of other age groups)

Half of the group use mobile bill pay

Source: Expectations & Experiences: Consumer Payments, Fiserv, 2018

# Insurance Billing & Premiums – Capital Markets & Transaction Activity

## Tech-Enabled Services > Specialty Service Providers (Billing and Premium)

### CAPITAL MARKETS OVERVIEW

- Insurance billing is a core feature that most insurance firms need to offer, hence driving some to pursue M&A Transactions to strengthen their payment systems.
- Firms that provide mainly insurance payment solutions have found the space increasingly competitive, with many larger firms already offering it as part of a core insurance suite.
- Billing companies can choose to be acquired to gain competitiveness and greater access to customers and resources, incentivized by the large amounts of capital flowing into the insurance space.
- As insurance companies and policyholders have been seeking digital platforms for real-time engagement, payments and collections platforms that offer this feature and improve on the customer experience will be in higher demand.

### KEY FINANCIAL INVESTORS

#### Financial Groups

THE CARLYLE GROUP

GI PARTNERS

#### Key Portfolio Companies



Source(s): PitchBook, Press Releases

### KEY TRANSACTIONS

#### M&A Transactions

(USD, in millions)

| Announce Date | Target      | Acquiror             | Value (\$MM) | Multiple Revenue | Multiple Earnings |
|---------------|-------------|----------------------|--------------|------------------|-------------------|
| 5/5/21        | clearpay    | ACORDPAY             | NA           | NA               | NA                |
| 1/5/21        | PARAGON     | BROWN & JOSEPH ALTUS | NA           | NA               | NA                |
| 10/19/20      | Bill It Now | insurity             | \$15         | NA               | NA                |
| 8/5/20        | Invenger    | ONE INC              | NA           | NA               | NA                |

#### Financing Transactions

(USD, in millions)

| Announce Date | Target    | Key Investor(s) | Amount Raised |
|---------------|-----------|-----------------|---------------|
| 2/18/21       | InsurePay | FINTOP CAPITAL  | \$5           |
| 2/10/21       | Marble    | IQ capital      | \$3           |



# Insurance Billing & Premiums – Select Transaction Profiles

## Tech-Enabled Services > Specialty Service Providers (Billing and Premium)

### CLEARPAY MERGES WITH ACORDPAY

- In May 2021, both firms announced a merger that will create a leading North American digital platform to automate receivables and payments for the insurance industry.
- ClearPay provides payment settlement and reconciliation solutions and AcordPay provides automated accounts receivable solutions.
- ClearPay's advanced services will be integrated into the existing AcordPay platform to accelerates digitization of insurance marketplaces.
- The combined entity will provide automated money management solutions throughout the entire insurance policy lifecycle for the North American insurance market.



### BILL IT NOW ACQUIRED BY INSURITY

- In October 2020, Bill It Now was acquired by Insurity for \$15.4mm, via its sponsor GI Partners.
- Bill It Now provides a unified platform for billing, with strong growth in the P&C insurance and healthcare industries.
- The transaction will enhance Insurity's ability to provide comprehensive, end-to-end billing and payment processing as part of its cloud-based core system solutions.



### MARBLE INSURANCE RAISED \$2.5 MILLION IN SEED ROUND FUNDING

- In February 2021, Marble raised \$2.5mm in seed funding from IA Capital Group, MS&AD Ventures and Reciprocal Ventures.
- Marble is the first digital wallet and loyalty platform for managing insurance policies and payments.
- Customers can earn up to 5% back each month by managing their insurance on the platform.
- Funds will be used for partnership and expansion.



### INVENGER TECHNOLOGIES ACQUIRED BY ONE INC

- In August 2020, Invenger Technologies was acquired by One Inc for an undisclosed amount, via its financial sponsor Great Hill Partners.
- Invenger Technologies provides a digital payments platform for P&C insurance carriers to manage the premium and claims payment process.
- One Inc will further its position in the market for premiums and claims payment processing.
- The combined entity will increase out-of-the-box functionality, speed up integration, reduce costs, and provide a better experience to insurance partners and their end-users.



Source(s): Media Reports, Pitchbook,, Press Releases

ACTUARIAL & TELEMATICS MARKET OVERVIEW

■ Given the increasing complexity of data solutions, actuarial and telematics solutions are needed to make sense of data.

■ As the pandemic has caused major changes to the economy and consumer behavior, firms are increasingly searching for advanced analytics solutions to help tackle major problems.

■ To compete effectively and to cater to consumer demands, auto insurers have started to implement use-based insurance, which requires telematics integration.

– According to a recent survey by JD, consumers are driving less (and anticipate doing so) given the pandemic. This has made consumers more aware of telematic programs and thus it has become more in focus. Of those that think their driving rates will remain low, 40% are interested in telematics.

– In a study by Cambridge Mobile Telamatics, they found that Readiness to switch to connected insurance was most significant in the 25-39 year-old segment: 73% of respondents in that group were ready to switch, with 5% indicating they had already made the switch.

■ On December 18, 2020, Davies Group announced its acquisition of Wakely Actuarial, a leading insurance-focused actuarial consulting business headquartered in Florida. [Evolve served as the exclusive financial advisor to Davies.](#)

| MARKET TRENDS                                  |   |
|--|---|
| Actuarial & Telematics                         | The availability of telematics solutions has increasingly made telematics an important focus for actuarial firms.   |
| Robotic Process Automation (RPA)               | RPA solutions are helping actuarial firms automate routine tasks, such as moving and reconciling data.  |
| High Demand for Actuaries within Organizations | Actuaries are expected to not just model, analyze, and estimate pricing, but also to provide business insights and value drivers to aid strategic decision making |

KEY SCORECARD FACTORS IN TELEMATICS

Braking

How gently the driver stops

Turning

Whether driver eases into and out of turns

Consistency

Whether driver's overall driving is smooth (braking and accelerating)

Safe Hours

Whether driver avoids driving late at night, especially on weekends

Evolve

Capital Partners

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# Actuarial & Telematics – Capital Markets & Transaction Activity

## Tech-Enabled Services > Specialty Service Providers

### CAPITAL MARKETS OVERVIEW

- M&A activity in the space is limited but growing, as larger firms start to rapidly shore up their advanced analytics capabilities.
- The IPO of Root Insurance has cast a spotlight on telematics, as the technology continues to progress rapidly.
- With rising demand for telematics to improve operational efficiency and flexible insurance policies, telematics solutions providers will become attractive targets for firms aspiring to develop their own proprietary pricing solutions, to gain competitiveness in the market.
- Major consulting firms like Deloitte and Milliman have been acquiring consulting firms recently, as the increasing complexity of global risk has necessitated insights into new domains.

### KEY STRATEGIC INVESTORS

Strategic Investors

**Deloitte.**

**Milliman**

Key Portfolio Companies

**RICEWARNER**  
KerrHenderson

(Pension Scheme Administration and Actuarial Consultancy arm)

**SPARK**  
Actuarial and Risk Consultants


Dental Actuarial Analytics

Source(s): PitchBook, Press Releases

### KEY TRANSACTIONS

#### M&A Transactions

(USD, in millions)

| Announce Date | Target   | Acquiror  | Value (\$MM) | Multiple Revenue | Multiple Earnings |
|---------------|--|---|--------------|------------------|-------------------|
| 4/1/21        |  <b>marmalade</b> |  | NA           | NA               | NA                |
| 4/1/21        | <b>RICEWARNER</b>  | <b>Deloitte.</b>  | NA           | NA               | NA                |
| 3/10/21       |                   | <b>QOMPLX:</b>  | NA           | NA               | NA                |
| 1/26/21       | <b>CSG Actuarial</b>   |  | NA           | NA               | NA                |
| 12/17/20      |                   |  | NA           | NA               | NA                |
| 12/9/20       |                   | <b>ZEGO</b>   | NA           | NA               | NA                |
| 11/30/20      |                   |  | NA           | NA               | NA                |

#### Financing Transactions

(USD, in millions)

| Announce Date | Target  | Key Investor(s)   | Amount Raised |
|---------------|---|---|---------------|
| 1/11/21       | <b>loop</b>   |    | \$3 (Debt)    |
| 6/1/20        |  |   | \$16          |
| 3/12/20       |  |   | \$9           |

# Actuarial & Telematics – Select Transaction Profiles

## Tech-Enabled Services > Specialty Service Providers

### RPC TYCHE ACQUIRED BY QOMPLX

- In March 2021, RPC Tyche was acquired by QOMPLX for an undisclosed amount.
- RPC Tyche provides a modeling platform (Tyche) that addresses complex challenges for insurers: pricing risks, modeling and reserving capital, and improving efficiency.
- The Tyche software will accelerate QOMPLX's ability to model capital and pricing risk. QOMPLX offers the Q: INSURANCE suite, a fully integrated, data-driven decision platform.
- The combined firm will be competitively positioned with an integration of domain-agnostic and cloud-agnostic technologies.



### HDVI RAISED \$16 MILLION IN A SERIES A ROUND

- In June 2020, HDVI announced a \$16mm Series A round led by 8VC and Munich Re Ventures.
- High Definition Vehicle Insurance (HDVI) offers high-quality telematics solutions and an integrated suite of software and services for the trucking industry.
- Qualcomm Ventures and Autotech Ventures also participated in the round.
- HDVI highlights the need for innovative value-added offerings for the industry, as insurers struggle to make a profit and trucking fleets pay significant amounts for insurance solutions.



### DRIVIT ACQUIRED BY ZEGO

- In December 2020, Drivit announced its acquisition by London-based mobility insurance provider Zego for an undisclosed amount.
- Drivit provides telematics solutions, enabling smartphones to serve as high-quality telematics devices
- The transactions will enable Zego to collect real-time driver behavior data in-house, layering this information on top of other existing data sources.



### WAKELY ACTUARIAL ACQUIRED BY DAVIES GROUP


- In December 2020, Davies Group announced its acquisition of Wakely Actuarial for an undisclosed amount.
- Wakely Actuarial is a provider of healthcare actuarial consulting services. The company provides actuarial, regulatory compliance, valuation for financial reporting and renewal commission, and risk management consulting services.
- The addition of Wakely Actuarial will bring new actuarial domain expertise to Davies Group bolstering Davies Group's capabilities in offering a broader range of solutions to its existing 750+ clients cross the world.




Source(s): Media Reports, Pitchbook, Press Releases

INSURANCE CLAIMS MARKET OVERVIEW


- COVID-19 has led to a sharp rise in insurance claims cases since mid 2020, heightening a sense of urgency for insurers to quickly scale their operations.
- Before the pandemic, the industry was taking small steps to virtual claims adoption. More recently, insurers have hastened their digital transformation roadmap for claims handling.
- To better appeal to customer’s needs, claims adjusters have been offering more solutions for on-demand and virtual adjusting.
- There has been a persistent challenge with recruiting adjusters in the industry, due to negative perceptions of the job and the long years required to accumulate the necessary knowledge. The average claims adjuster stays in the industry for only four years.
- **Some firms that are helping to fill the gap:**

**Matterport**

3D walkthrough technology helps adjusters with damage assessment and claims handling

**MAJESCO**

Provides claims software for P&C and L&H (via recent acquisition of ClaimVantage)

**metromile**

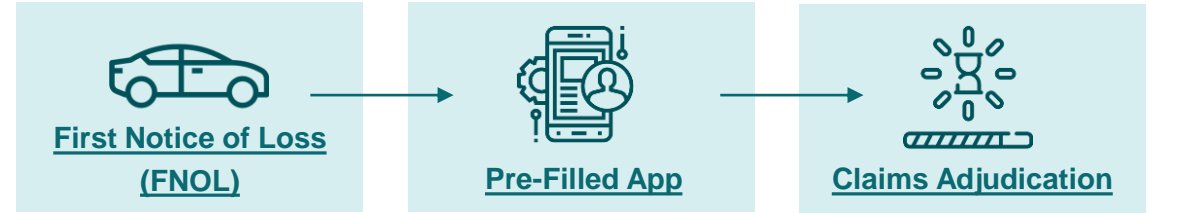
Metromile Enterprise has a sophisticated touchless claims platform that can work on top of existing claims management software to streamline the process

MARKET TRENDS

|  |   |
|--|---|
| Expand virtual process                 | Customers are increasingly considering the use of virtual claims as the pandemic continues through 2021.  |
| Full claims automation                 | Integration of real-time data and analytics into the FNOL process is a stepping stone towards fully-automating claims processes.  |
| Cybersecurity Measures                 | Adoption of digital claim processes will necessitate investments in cyber and digital security, to safeguard claim and money movement processing.   |
| Simplify the total loss claims process | Customers are used to fast delivery on goods and services, but settling a total loss typically takes several weeks. By streamlining the process, customer experience will be better and retention rates will improve. |

VIRTUAL CLAIMS ADOPTION AND PROCESS

- 95% of auto insurance carriers surveyed already use or are considering using virtual claims processes according to a LexisNexis report
  - 79% of the surveyed group were considering or open to the idea of touchless claims.
- Use of self-service claims options is expected to increasing in the following years, driven initially by tech-savvy Millennials.



LexisNexis 2019 Future of Claims Report



# Insurance Claims – Capital Markets & Transaction Activity

## Tech-Enabled Services > Specialty Service Providers (Claims and Payments)

### CAPITAL MARKETS OVERVIEW

- With strong claims activity, service providers have sought ways to ramp up their operations.
- M&A is one of the most straightforward approach, as firms look for suitable targets to acquire so that they can ramp up operational capacity in deficient areas.
- There is growing demand for insurance services with nationwide coverage, which can be addressed through acquisitions.
- Charles Taylor's recent acquisitions include Aegis Corporation and Syndicate Claim Services; the former has strong coverage in the midwestern region, while the latter firm operates across all 50 states.
- PE firms such as Century Equity Partners highlight that carriers are increasingly focusing on lowering loss adjusting expenses and optimizing staff resources. Given the right synergies from an M&A transaction, claim providers can upgrade their capabilities to tap into these

### KEY FINANCIAL INVESTORS

#### Financial Groups



#### Key Portfolio Companies



Source(s): PitchBook, Press Releases



### KEY TRANSACTIONS

#### M&A Transactions

| Announce Date | Target                        | Acquiror                  | Value (\$MM) | Multiple Revenue | Multiple Earnings |
|---------------|-------------------------------|---------------------------|--------------|------------------|-------------------|
| 5/11/21       | QUALCARE                      | COVENTRY                  | NA           | NA               | NA                |
| 4/15/21       | Syndicate                     | Charles Taylor            | NA           | NA               | NA                |
| 3/9/21        | TLG The Littleton Group       | Davies                    | NA           | NA               | NA                |
| 3/2/21        | CONSTRUCTION SERVICES COMPANY | sedgwick                  | NA           | NA               | NA                |
| 2/1/21        | Fourseventy                   | Alacrity                  | NA           | NA               | NA                |
| 12/31/20      | Aegis CORPORATION             | Charles Taylor            | NA           | NA               | NA                |
| 12/1/20       | Hancock                       | CENTURY EQUITY PARTNERS   | NA           | NA               | NA                |
| 10/6/20       | Livegenic                     | CLAIMCENTRAL CONSOLIDATED | NA           | NA               | NA                |
| 6/12/20       | LLOYDWARWICK                  | McLarens                  | NA           | NA               | NA                |

#### Financing Transactions

| Announce Date | Target                   | Key Investor(s)                       | Amount Raised |
|---------------|--------------------------|---------------------------------------|---------------|
| 11/17/20      | Bdeo Visual Intelligence | BLACKFIN CAPITAL PARTNERS             | \$6           |
| 5/21/20       | CLARA Analytics          | ASPEN CAPITAL GROUP                   | \$25          |
| 4/16/20       | sprout.ai                | Amadeus Capital Partners<br>techstars | \$3           |

# Insurance Claims – Select Transaction Profiles

## Tech-Enabled Services > Specialty Service Providers (Claims and Payments)

### HANCOCK CLAIMS ACQUIRED BY CENTURY EQUITY PARTNERS

- In January 2021, Century Equity Partners announced that it has signed a definitive agreement to acquire a controlling stake in Hancock Claims Consultants for an undisclosed sum.
- Hancock Claims Consultants is a provider of inspection claim services in the residential and property market.
- Hancock Claims Consultants will use the proceeds for additional acquisitions and enhance their services to make it more efficient.



### U.S. ADJUSTING SERVICES ACQUIRED BY EBERL CLAIMS SERVICES

- In July 2020, U.S. Adjusting Services was acquired by Eberl Claims Services, a subsidiary of Cor Partners and financially backed by BW Forsyth Partners.
- U.S. Adjusting Services provides insurance adjusting solutions for daily and catastrophe claims across the country.
- The transaction brings together U.S. Adjusting Services' expertise in adjusting services and education with Eberl's strengths in tech-enabled claims support systems.



### CLARA RAISED \$25 MILLION IN A SERIES B ROUND

- In May 2020, Clara Analytics raised \$25mm of Series B venture funding at a \$100mm valuation, led by Aspen Capital Group.
- CLARA Analytics uses AI-based techniques to derive insights from claim documents and related data.
- Oak HC/FT, Guidewire Software also participated in the round.
- The funds will be used by the company to expand its product suite, attract essential industry talent and grow its global reach.



### AEGIS CORPORATION ACQUIRED BY CHARLES TAYLOR

- In December 2020, Aegis Corporation was acquired by Charles Taylor for an undisclosed amount. Evolve served as a financial advisor for Aegis.
- Aegis Corporation provides claims services and risk management solutions in Wisconsin, focusing on public entities and municipalities.
- The acquisition will help Charles Taylor expand its capabilities in mutual management and claims handling, which are essential parts of its services.
- The acquisition is also aligned with Charles Taylor's group-wide strategy and provides the scale, expertise and capabilities to accelerate the growth of its US business.



Source(s): Media Reports, Pitchbook, Press Releases

# Appendix

# Insurance Carriers Market Overview

## Public Comparable Companies (1/2)

Market Map on Page 21

(All figures in millions of USD, except per share data. Data as of June 22, 2021)

### P&C Insurance

|  | Stock Price | % of 52-Wk. High | Market Value | LTM       |            | Growth Rates: |         |          | LTM Net Income % | Market Value / Rev. |         | Price / Earnings |         | Price   | ROE % |         |      |
|--|-------------|------------------|--------------|-----------|------------|---------------|---------|----------|------------------|---------------------|---------|------------------|---------|---------|-------|---------|------|
|  |             |                  |              | Revenue   | Net Income | Revenue       |         | Earnings |                  | CY 2021             | CY 2022 | CY 2021          | CY 2022 | CY 2021 |       | CY 2022 | Book |
|  |             |                  |              |           |            | CY 2021       | CY 2022 | LT       |                  |                     |         |                  |         |         |       |         |      |
| Ping An Insurance (Group) Company of China | \$10.03     | 69.7%            | \$181,740    | \$165,868 | \$21,257   | (24%)         | 8%      | 22%      | 13%              | 1.5x                | 1.4x    | 7.7x             | 6.6x    | 1.6x    | 20%   |         |      |
| Chubb                                      | \$159.32    | 89.0%            | \$71,514     | \$38,268  | \$3,235    | (6%)          | 5%      | 10%      | 8%               | 2.1x                | 2.0x    | 13.8x            | 12.5x   | 1.2x    | 6%    |         |      |
| Progressive Casualty Insurance Company     | \$94.95     | 88.3%            | \$55,369     | \$44,760  | \$4,298    | 8%            | 10%     | 39%      | 10%              | 1.2x                | 1.1x    | 17.1x            | 16.3x   | 3.2x    | 40%   |         |      |
| Travelers Companies                        | \$148.30    | 91.1%            | \$37,380     | \$32,386  | \$2,709    | (3%)          | 5%      | 1%       | 8%               | 1.2x                | 1.1x    | 13.4x            | 12.1x   | 1.3x    | 10%   |         |      |
| The Hartford Financial Services Group      | \$61.87     | 88.5%            | \$22,199     | \$20,663  | \$1,804    | (1%)          | (0%)    | 5%       | 9%               | 1.1x                | 1.1x    | 13.0x            | 9.3x    | 1.3x    | 11%   |         |      |
| Cincinnati Financial                       | \$117.27    | 94.3%            | \$18,826     | \$9,862   | \$618      | (17%)         | 6%      | 35%      | 6%               | 3.0x                | 2.8x    | 26.6x            | 26.0x   | 1.7x    | 6%    |         |      |
| CNA Financial                              | \$45.43     | 92.6%            | \$12,401     | \$11,262  | \$890      | (22%)         | 9%      | 28%      | 8%               | 3.8x                | 3.7x    | 11.6x            | 10.4x   | 1.0x    | 8%    |         |      |
| Erie Insurance                             | \$190.65    | 71.5%            | \$9,942      | \$2,597   | \$293      | 2%            | 4%      | 11%      | 11%              | 1.5x                | 1.4x    | 32.3x            | 30.0x   | 8.3x    | 26%   |         |      |
| Everest Re Group                           | \$244.44    | 86.9%            | \$9,764      | \$10,154  | \$396      | 12%           | 7%      | 2%       | 4%               | NA                  | NA      | 9.5x             | 8.2x    | 1.0x    | 9%    |         |      |
| Alleghany                                  | \$670.54    | 90.9%            | \$9,388      | \$10,068  | \$292      | NA            | NA      | 6%       | 3%               | 2.4x                | 1.9x    | 13.8x            | 10.4x   | 1.1x    | 9%    |         |      |
| ZhongAn                                    | \$5.16      | 50.7%            | \$7,581      | \$2,681   | \$59       | 20%           | 22%     | 65%      | 2%               | 0.9x                | 0.9x    | 63.3x            | 39.5x   | 3.2x    | 5%    |         |      |
| Lemonade                                   | \$101.89    | 54.1%            | \$6,314      | \$92      | (\$135)    | 26%           | 60%     | NA       | (147%)           | 53.1x               | 33.2x   | NMF              | NMF     | 5.5x    | (27%) |         |      |
| The Hanover Insurance Group                | \$134.26    | 93.8%            | \$4,811      | \$5,054   | \$330      | 0%            | 5%      | 10%      | 7%               | 1.5x                | 1.4x    | 14.9x            | 13.3x   | 1.6x    | 11%   |         |      |
| Selective Insurance Group                  | \$77.64     | 132.5%           | \$4,622      | \$3,061   | \$302      | 6%            | 6%      | 15%      | 10%              | 0.8x                | 0.8x    | 14.6x            | 14.8x   | 1.8x    | 13%   |         |      |
| Kemper                                     | \$71.61     | 90.7%            | \$4,615      | \$5,307   | \$363      | 4%            | 8%      | 39%      | 7%               | 1.0x                | 0.9x    | 12.3x            | 10.8x   | 1.1x    | 9%    |         |      |
| AXIS Capital                               | \$49.02     | 57.2%            | \$4,142      | \$4,815   | \$73       | 4%            | 6%      | (19%)    | 2%               | 0.9x                | 0.8x    | 11.3x            | 9.3x    | 0.9x    | 2%    |         |      |
| Vienna Insurance Group                     | \$27.83     | 93.3%            | \$3,563      | \$11,969  | \$377      | 8%            | 6%      | NA       | 3%               | 0.3x                | 0.3x    | 8.3x             | 7.4x    | 0.6x    | 8%    |         |      |
| Mercury General                            | \$61.03     | 89.9%            | \$3,340      | \$4,069   | \$322      | (4%)          | 3%      | 54%      | 8%               | 0.9x                | 0.9x    | 15.4x            | 17.8x   | 1.6x    | 33%   |         |      |
| Coface                                     | \$11.62     | 87.4%            | \$1,732      | \$1,321   | \$163      | 34%           | 4%      | 4%       | 12%              | 1.0x                | 1.0x    | 10.8x            | 10.3x   | 0.7x    | 6%    |         |      |
| Horace Mann Educators                      | \$38.54     | 86.1%            | \$1,599      | \$1,288   | \$157      | (9%)          | 1%      | 90%      | 12%              | 1.4x                | 1.4x    | 11.7x            | 11.9x   | 0.9x    | 10%   |         |      |
| Employers Holdings                         | \$42.41     | 48.2%            | \$1,202      | \$748     | \$97       | (11%)         | 3%      | 14%      | 13%              | NA                  | NA      | 19.9x            | 20.1x   | 1.0x    | 8%    |         |      |
| Safety Insurance Group                     | \$78.82     | 179.9%           | \$1,188      | \$876     | \$135      | NA            | NA      | 39%      | 15%              | 1.9x                | 1.8x    | 13.1x            | 17.9x   | 1.3x    | 16%   |         |      |
| State Auto Financial                       | \$17.51     | 83.5%            | \$774        | \$1,678   | (\$27)     | 3%            | 3%      | 33%      | (2%)             | 0.5x                | 0.5x    | 44.6x            | 12.7x   | 0.8x    | (3%)  |         |      |
| Donegal Group                              | \$15.00     | 91.0%            | \$464        | \$791     | \$60       | 3%            | 5%      | 19%      | 8%               | 0.6x                | 0.5x    | 12.1x            | 11.4x   | 0.9x    | 12%   |         |      |
| MEAN                                       |             |                  |              |           |            | 1%            | 8%      | 24%      | 1%               | 3.8x                | 2.8x    | 17.9x            | 14.7x   | 1.8x    | 10%   |         |      |
| MEDIAN                                     |             |                  |              |           |            | 2%            | 5%      | 17%      | 8%               | 1.2x                | 1.1x    | 13.4x            | 12.1x   | 1.2x    | 9%    |         |      |

Data as of 6/22 Close of Business

# Insurance Carriers Market Overview

## Public Comparable Companies (2/2)

Market Map on Page 21

(All figures in millions of USD, except per share data. Data as of June 22, 2021)

### Traditional / Life Insurance

|  | Stock Price | % of 52-Wk. High | Market Value | LTM       |            | Growth Rates: |         |          | LTM Net Income % | Market Value / Rev. |         | Price / Earnings |         | Price Book | ROE % |
|--|-------------|------------------|--------------|-----------|------------|---------------|---------|----------|------------------|---------------------|---------|------------------|---------|------------|-------|
|  |             |                  |              | Revenue   | Net Income | Revenue       |         | Earnings |                  |                     |         |                  |         |            |       |
|  |             |                  |              |           |            | CY 2021       | CY 2022 | LT       |                  | CY 2021             | CY 2022 | CY 2021          | CY 2022 |            |       |
| Ping An Insurance (Group) Company of China | \$10.03     | 69.7%            | \$181,740    | \$165,868 | \$21,257   | (24%)         | 8%      | 22%      | 13%              | NA                  | NA      | 7.7x             | 6.6x    | 1.5x       | 20%   |
| AIA Group                                  | \$12.07     | 85.7%            | \$146,047    | \$50,359  | \$6,344    | 1%            | 10%     | 16%      | 13%              | 1.5x                | 1.4x    | 21.7x            | 19.4x   | 2.3x       | 10%   |
| China Life Insurance                       | \$5.26      | 67.5%            | \$124,339    | \$116,516 | \$7,225    | (12%)         | 9%      | 8%       | 6%               | 2.9x                | 2.6x    | 16.9x            | 15.0x   | 2.1x       | 12%   |
| Cigna                                      | \$236.01    | 86.5%            | \$81,018     | \$163,122 | \$6,701    | 4%            | 6%      | 24%      | 4%               | 1.2x                | 1.1x    | 11.6x            | 10.2x   | 1.7x       | 14%   |
| MetLife                                    | \$59.27     | 87.6%            | \$52,245     | \$63,525  | \$6,288    | (3%)          | 2%      | (23%)    | 10%              | 0.5x                | 0.5x    | 8.4x             | 8.4x    | 0.8x       | 9%    |
| Prudential Financial                       | \$100.42    | 92.0%            | \$39,703     | \$60,521  | \$4,622    | (0%)          | 3%      | (9%)     | 8%               | 0.7x                | 0.7x    | 7.8x             | 7.7x    | 0.7x       | 8%    |
| Manulife                                   | \$19.19     | 85.9%            | \$37,587     | \$41,844  | \$4,525    | (45%)         | 45%     | 17%      | 11%              | 0.8x                | 0.8x    | 7.2x             | 6.7x    | 1.1x       | 13%   |
| Aflac                                      | \$52.83     | 91.8%            | \$36,070     | \$22,819  | \$3,727    | (2%)          | (2%)    | 21%      | 16%              | 1.2x                | 0.8x    | 10.1x            | 10.3x   | 1.1x       | 12%   |
| Sun Life Financial                         | \$50.48     | 91.7%            | \$29,490     | \$28,989  | \$2,488    | (29%)         | 18%     | 6%       | 9%               | 1.7x                | 1.7x    | 10.2x            | 9.4x    | 1.5x       | 14%   |
| Great-West Lifeco                          | \$29.71     | 94.1%            | \$27,305     | \$47,182  | \$2,165    | 37%           | 5%      | 6%       | 5%               | 1.3x                | 1.1x    | 11.1x            | 10.4x   | 1.6x       | 17%   |
| Legal & General Group                      | \$3.76      | 90.6%            | \$22,434     | \$63,331  | \$2,100    | (76%)         | 5%      | 7%       | 3%               | 0.4x                | 0.4x    | 8.8x             | 8.1x    | 1.7x       | 14%   |
| Aviva (Life and Health Insurance)          | \$5.75      | 95.1%            | \$22,589     | \$58,705  | \$3,421    | (4%)          | (3%)    | 25%      | 6%               | 1.5x                | 1.4x    | 8.2x             | 8.2x    | 0.9x       | 11%   |
| Principal Financial Group                  | \$61.74     | 90.8%            | \$16,761     | \$13,399  | \$1,470    | (5%)          | 12%     | 8%       | 11%              | 1.2x                | 1.1x    | 10.0x            | 9.0x    | 1.1x       | 10%   |
| Swiss Life Holding                         | \$501.52    | 95.4%            | \$15,490     | \$22,223  | \$485      | (12%)         | 4%      | 5%       | 2%               | 0.4x                | 0.4x    | 11.7x            | 11.0x   | 0.8x       | 2%    |
| Lincoln Financial Group                    | \$61.70     | 86.1%            | \$11,763     | \$17,548  | \$750      | 9%            | 1%      | (4%)     | 4%               | 0.6x                | 0.6x    | 6.7x             | 5.7x    | 0.6x       | 3%    |
| SBI Life Insurance                         | \$13.24     | 93.7%            | \$13,243     | \$11,036  | \$196      | NA            | NA      | 12%      | 2%               | 0.8x                | 0.8x    | 40.2x            | 30.4x   | 9.4x       | 16%   |
| Athene Holding                             | \$63.37     | 98.2%            | \$12,206     | \$20,497  | \$2,098    | (55%)         | 1%      | 44%      | 10%              | NA                  | NA      | 6.5x             | 7.1x    | 0.7x       | 11%   |
| ICICI Prudential Life Insurance Company    | \$7.81      | 96.4%            | \$11,222     | \$11,120  | \$129      | NA            | NA      | (10%)    | 1%               | 2.0x                | 1.9x    | NA               | NA      | 9.0x       | 11%   |
| Globe Life                                 | \$95.05     | 87.8%            | \$9,862      | \$4,872   | \$709      | 5%            | 4%      | 11%      | 15%              | 1.8x                | 1.8x    | 13.0x            | 11.5x   | 1.3x       | 9%    |
| Aegon                                      | \$4.53      | 89.9%            | \$9,026      | \$94,407  | \$1,623    | NA            | NA      | NA       | 2%               | NA                  | NA      | NA               | NA      | 0.3x       | (5%)  |
| Standard Life Aberdeen                     | \$3.80      | 81.3%            | \$8,279      | \$2,206   | \$377      | (7%)          | 5%      | (14%)    | 17%              | NA                  | NA      | 22.9x            | 19.1x   | 0.9x       | 6%    |
| Voya Financial                             | \$60.42     | 85.5%            | \$7,383      | \$4,007   | \$502      | (20%)         | 2%      | 32%      | 13%              | 1.2x                | 1.2x    | 9.9x             | 9.1x    | 0.9x       | 7%    |
| Baloise Holding                            | \$159.98    | 86.8%            | \$7,207      | \$8,814   | \$470      | 2%            | 16%     | (2%)     | 5%               | 4.1x                | 3.9x    | 11.5x            | 11.0x   | 0.9x       | 5%    |
| Unum Group                                 | \$27.86     | 87.1%            | \$5,760      | \$13,363  | \$943      | (10%)         | 1%      | 2%       | 7%               | 2.5x                | 2.4x    | 6.0x             | 5.2x    | 0.5x       | 9%    |
| Primerica (US)                             | \$149.26    | 90.3%            | \$5,888      | \$2,389   | \$404      | 2%            | 7%      | 22%      | 17%              | 0.8x                | 0.7x    | 13.2x            | 11.8x   | 3.1x       | 23%   |
| iA Financial Group                         | \$54.84     | 92.1%            | \$5,839      | \$11,848  | \$569      | (79%)         | 10%     | 15%      | 5%               | 0.5x                | 0.5x    | 8.5x             | 7.9x    | 1.2x       | 13%   |
| Brighthouse Financial                      | \$44.05     | 88.1%            | \$3,835      | (\$167)   | \$1,195    | 6%            | (2%)    | NA       | (716%)           | 2.1x                | 1.9x    | 3.2x             | 3.3x    | 0.3x       | (0%)  |
| American National Insurance Company        | \$151.34    | 95.8%            | \$4,098      | \$4,461   | \$221      | NA            | NA      | 38%      | 5%               | 0.4x                | 0.4x    | NA               | NA      | 0.6x       | 14%   |
| E-L Financial Corporation                  | \$746.89    | 91.4%            | \$2,782      | \$2,499   | \$1,231    | NA            | NA      | 54%      | 49%              | NA                  | NA      | NA               | NA      | 0.5x       | 30%   |
| Hansard Global                             | \$0.80      | 86.2%            | \$110        | \$64      | \$6        | 244%          | NA      | (19%)    | 10%              | 0.5x                | NA      | 4.0x             | NA      | 3.2x       | 18%   |
| MEAN                                       |             |                  |              |           |            | (3%)          | 7%      | 11%      | (15%)            | 1.3x                | 1.3x    | 11.4x            | 10.5x   | 1.7x       | 11%   |
| MEDIAN                                     |             |                  |              |           |            | (4%)          | 5%      | 10%      | 7%               | 1.2x                | 1.1x    | 10.0x            | 9.1x    | 1.1x       | 11%   |

Data as of 6/22 Close of Business



# Insurance Distribution / Brokerage

## Public Comparable Companies

Market Map on Page 25

(All figures in millions of USD, except per share data. Data as of June 22, 2021)

### Insurance Brokers

|                               | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM      |         | Growth Rates: |            |             | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|-------------------------------|-------------|------------------|--------------|------------------|----------|---------|---------------|------------|-------------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                               |             |                  |              |                  | Revenue  | EBITDA  | Revenue:      |            | Earnings LT | Gross        | EBITDA     | LTM          | CY 2021     | CY 2022     | LTM          | CY 2021      | CY 2022      |
|                               |             |                  |              |                  |          |         | CY 2021       | CY 2022    |             |              |            |              |             |             |              |              |              |
| Truist                        | \$54.36     | 86.7%            | \$73,294     | NA               | \$22,576 | \$5,027 | (4%)          | 1%         | 5%          | NA           | 22%        | NA           | NA          | NA          | NA           | NA           | NA           |
| Marsh & McLennan Companies    | \$136.72    | 96.7%            | \$69,333     | \$81,824         | \$17,656 | \$4,922 | 8%            | 6%         | 8%          | 41%          | 28%        | 4.6x         | 4.4x        | 4.2x        | 16.6x        | 16.6x        | 15.6x        |
| Aon                           | \$233.56    | 89.5%            | \$52,801     | \$60,307         | \$11,372 | \$3,470 | 7%            | 5%         | 13%         | 46%          | 31%        | 5.3x         | 5.1x        | 4.8x        | 17.4x        | 16.4x        | 15.3x        |
| Willis Towers Watson          | \$230.41    | 84.8%            | \$29,688     | \$17,972         | \$9,476  | \$2,523 | 5%            | 5%         | 22%         | 41%          | 27%        | 1.9x         | 1.8x        | 1.7x        | 7.1x         | 6.6x         | 6.4x         |
| Arthur J. Gallagher & Company | \$140.21    | 91.0%            | \$28,803     | \$33,158         | \$7,304  | \$1,800 | 12%           | (2%)       | 15%         | 36%          | 25%        | 4.5x         | 4.2x        | 4.3x        | 18.4x        | 16.8x        | 14.8x        |
| Brown & Brown Insurance       | \$52.85     | 97.2%            | \$14,786     | \$16,341         | \$2,724  | \$861   | 13%           | 7%         | 16%         | 44%          | 32%        | 6.0x         | 5.6x        | 5.2x        | 19.0x        | 17.5x        | 16.3x        |
| Goosehead Insurance Agency    | \$124.93    | 71.5%            | \$4,449      | \$4,503          | \$128    | \$26    | 32%           | 39%        | NA          | NA           | 20%        | 35.2x        | 29.2x       | 21.0x       | NMF          | NMF          | NMF          |
| Baldwin Risk Partners         | \$27.70     | 82.5%            | \$2,636      | \$3,347          | \$340    | \$67    | 114%          | 40%        | NA          | 33%          | 20%        | 9.9x         | 6.5x        | 4.6x        | 50.0x        | 31.6x        | 21.1x        |
| <b>MEAN</b>                   |             |                  |              |                  |          |         | <b>23%</b>    | <b>13%</b> | <b>13%</b>  | <b>40%</b>   | <b>25%</b> | <b>9.6x</b>  | <b>8.1x</b> | <b>6.6x</b> | <b>21.4x</b> | <b>17.6x</b> | <b>14.9x</b> |
| <b>MEDIAN</b>                 |             |                  |              |                  |          |         | <b>10%</b>    | <b>6%</b>  | <b>14%</b>  | <b>41%</b>   | <b>26%</b> | <b>5.3x</b>  | <b>5.1x</b> | <b>4.6x</b> | <b>17.9x</b> | <b>16.7x</b> | <b>15.5x</b> |

### Online Platforms

|                            | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM     |        | Growth Rates: |            |             | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|----------------------------|-------------|------------------|--------------|------------------|---------|--------|---------------|------------|-------------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                            |             |                  |              |                  | Revenue | EBITDA | Revenue:      |            | Earnings LT | Gross        | EBITDA     | LTM          | CY 2021     | CY 2022     | LTM          | CY 2021      | CY 2022      |
|                            |             |                  |              |                  |         |        | CY 2021       | CY 2022    |             |              |            |              |             |             |              |              |              |
| SelectQuote                | \$19.75     | 59.8%            | \$3,227      | \$3,361          | \$891   | \$247  | 45%           | 32%        | NA          | 72%          | 28%        | 3.8x         | 3.0x        | 2.3x        | 13.6x        | 12.0x        | 8.8x         |
| MoneySupermarket.com Group | \$3.66      | 84.7%            | \$1,964      | \$1,977          | \$442   | \$140  | 11%           | 8%         | 2%          | 67%          | 32%        | 4.5x         | 4.0x        | 3.7x        | 14.1x        | 13.0x        | 11.4x        |
| ehealth                    | \$61.69     | 51.3%            | \$1,612      | \$1,531          | \$611   | \$97   | 18%           | 24%        | 12%         | 99%          | 16%        | 2.5x         | 2.2x        | 1.8x        | 15.9x        | 13.3x        | 7.7x         |
| QuinStreet                 | \$18.21     | 70.1%            | \$976        | \$883            | \$544   | \$46   | 12%           | 13%        | NA          | 12%          | 9%         | 1.6x         | 1.5x        | 1.3x        | 19.0x        | 16.6x        | NA           |
| EverQuote                  | \$34.06     | 53.7%            | \$980        | \$943            | \$369   | (\$6)  | 27%           | 19%        | NA          | 94%          | (2%)       | 2.6x         | 2.1x        | 1.8x        | NMF          | 32.6x        | 22.1x        |
| iSelect                    | \$0.30      | 90.5%            | \$66         | \$61             | \$76    | (\$4)  | 56%           | NA         | NA          | 36%          | (5%)       | 0.8x         | 0.5x        | NA          | NMF          | 3.2x         | NA           |
| <b>MEAN</b>                |             |                  |              |                  |         |        | <b>28%</b>    | <b>19%</b> | <b>7%</b>   | <b>63%</b>   | <b>13%</b> | <b>2.6x</b>  | <b>2.2x</b> | <b>2.2x</b> | <b>15.7x</b> | <b>15.1x</b> | <b>12.5x</b> |
| <b>MEDIAN</b>              |             |                  |              |                  |         |        | <b>23%</b>    | <b>19%</b> | <b>7%</b>   | <b>69%</b>   | <b>12%</b> | <b>2.5x</b>  | <b>2.2x</b> | <b>1.8x</b> | <b>15.0x</b> | <b>13.2x</b> | <b>10.1x</b> |

Data as of 6/22 Close of Business

# Insurance Software Market Overview

## Public Comparable Companies

Market Map on Page 29

(All figures in millions of USD, except per share data. Data as of June 22, 2021)

### Software Solutions

|                         | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM     |         | Growth Rates: |           |             | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|-------------------------|-------------|------------------|--------------|------------------|---------|---------|---------------|-----------|-------------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                         |             |                  |              |                  | Revenue | EBITDA  | Revenue:      |           | Earnings LT | Gross        | EBITDA     | LTM          | CY 2021     | CY 2022     | LTM          | CY 2021      | CY 2022      |
|                         |             |                  |              |                  |         |         | CY 2021       | CY 2022   |             |              |            |              |             |             |              |              |              |
| Roper Technologies      | \$459.99    | 98.6%            | \$48,231     | \$56,974         | \$5,705 | \$2,083 | 15%           | 4%        | 7%          | 65%          | 37%        | 10.0x        | 8.9x        | 8.5x        | 27.3x        | 24.3x        | 23.3x        |
| Guidewire Software      | \$112.19    | 83.6%            | \$9,293      | \$8,676          | \$758   | \$120   | (2%)          | 9%        | NA          | 52%          | 16%        | 11.5x        | 11.6x       | 10.6x       | 72.0x        | NMF          | NMF          |
| Duck Creek Technologies | \$40.50     | 68.2%            | \$5,300      | \$4,960          | \$234   | \$14    | 17%           | 17%       | NA          | 55%          | 6%         | 21.2x        | 18.9x       | 16.1x       | NMF          | NMF          | NMF          |
| Sapiens International   | \$27.40     | 76.4%            | \$1,504      | \$1,489          | \$402   | \$77    | 20%           | 9%        | 11%         | 41%          | 19%        | 3.7x         | 3.2x        | 3.0x        | 19.3x        | 16.6x        | 14.5x        |
| Ebix                    | \$33.86     | 52.8%            | \$1,057      | \$1,683          | \$778   | \$157   | 46%           | (16%)     | 4%          | 35%          | 20%        | 2.2x         | 1.8x        | 2.2x        | 10.7x        | 10.6x        | 8.5x         |
| Fineos                  | \$2.84      | 68.2%            | \$857        | \$833            | NA      | \$6     | 18%           | 12%       | NA          | NA           | NA         | NA           | 6.2x        | 5.5x        | NMF          | NMF          | 68.0x        |
| Crawford & Company      | \$9.03      | 84.6%            | \$487        | \$689            | \$1,032 | \$104   | 2%            | 3%        | NA          | 28%          | 10%        | 0.7x         | 0.7x        | 0.6x        | 6.6x         | 7.0x         | 6.3x         |
| <b>MEAN</b>             |             |                  |              |                  |         |         | <b>17%</b>    | <b>6%</b> | <b>7%</b>   | <b>46%</b>   | <b>18%</b> | <b>8.2x</b>  | <b>7.3x</b> | <b>6.7x</b> | <b>27.2x</b> | <b>14.6x</b> | <b>24.1x</b> |
| <b>MEDIAN</b>           |             |                  |              |                  |         |         | <b>17%</b>    | <b>9%</b> | <b>7%</b>   | <b>46%</b>   | <b>18%</b> | <b>6.8x</b>  | <b>6.2x</b> | <b>5.5x</b> | <b>19.3x</b> | <b>13.6x</b> | <b>14.5x</b> |

(All figures in millions of USD, except per share data. Data as of June 22, 2021)

### Data & Analytics Solutions

|                  | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM     |         | Growth Rates: |           |             | LTM Margins: |            | EV / Revenue |              |             | EV / EBITDA  |              |              |
|------------------|-------------|------------------|--------------|------------------|---------|---------|---------------|-----------|-------------|--------------|------------|--------------|--------------|-------------|--------------|--------------|--------------|
|                  |             |                  |              |                  | Revenue | EBITDA  | Revenue:      |           | Earnings LT | Gross        | EBITDA     | LTM          | CY 2021      | CY 2022     | LTM          | CY 2021      | CY 2022      |
|                  |             |                  |              |                  |         |         | CY 2021       | CY 2022   |             |              |            |              |              |             |              |              |              |
| RELX (London)    | \$26.71     | 97.6%            | \$51,631     | \$61,221         | \$9,114 | \$3,152 | 11%           | 8%        | 7%          | 65%          | 35%        | 6.7x         | 6.1x         | 5.6x        | 19.4x        | 16.4x        | 14.8x        |
| Verisk Analytics | \$175.26    | 83.2%            | \$28,351     | \$31,447         | \$2,821 | \$1,394 | 7%            | 6%        | 8%          | 65%          | 49%        | 11.1x        | 10.6x        | 9.9x        | 22.6x        | 21.6x        | 20.0x        |
| Fair Isaac       | \$506.02    | 92.4%            | \$14,570     | \$15,397         | \$1,332 | \$537   | 4%            | 10%       | 26%         | 73%          | 40%        | 11.6x        | 11.3x        | 10.3x       | 28.7x        | 29.0x        | 25.6x        |
| <b>MEAN</b>      |             |                  |              |                  |         |         | <b>7%</b>     | <b>8%</b> | <b>13%</b>  | <b>68%</b>   | <b>41%</b> | <b>9.8x</b>  | <b>9.3x</b>  | <b>8.6x</b> | <b>23.5x</b> | <b>22.4x</b> | <b>20.1x</b> |
| <b>MEDIAN</b>    |             |                  |              |                  |         |         | <b>7%</b>     | <b>8%</b> | <b>8%</b>   | <b>65%</b>   | <b>40%</b> | <b>11.1x</b> | <b>10.6x</b> | <b>9.9x</b> | <b>22.6x</b> | <b>21.6x</b> | <b>20.0x</b> |

Data as of 6/22 Close of Business

# Tech-Enabled Services Market Overview

## Public Comparable Companies

Market Map on Page 32

(All figures in millions of USD, except per share data. Data as of June 22, 2021)

### Tech-Enabled Insurance Services

|                        | Stock Price | % of 52-Wk. High | Market Value | Enterprise Value | LTM     |        | Growth Rates: |           |             | LTM Margins: |            | EV / Revenue |             |             | EV / EBITDA  |              |              |
|------------------------|-------------|------------------|--------------|------------------|---------|--------|---------------|-----------|-------------|--------------|------------|--------------|-------------|-------------|--------------|--------------|--------------|
|                        |             |                  |              |                  |         |        | Revenue:      |           | Earnings    |              |            | LTM          |             | CY 2021     |              | CY 2022      |              |
|                        |             |                  |              |                  | Revenue | EBITDA | CY 2021       | CY 2022   | LT          | Gross        | EBITDA     | LTM          | CY 2021     | CY 2022     | LTM          | CY 2021      | CY 2022      |
| Genpact                | \$45.55     | 93.0%            | \$8,495      | \$9,923          | \$3,732 | \$758  | 7%            | 10%       | 7%          | 35%          | 20%        | 2.7x         | 2.5x        | 2.3x        | 13.1x        | 12.8x        | 11.8x        |
| MultiPlan (New York)   | \$9.35      | 89.3%            | \$6,245      | \$11,024         | \$941   | \$701  | 12%           | 7%        | NA          | 67%          | 75%        | 11.7x        | 10.5x       | 9.9x        | 15.7x        | 14.4x        | 13.6x        |
| Huron Consulting Group | \$51.04     | 82.3%            | \$1,144      | \$1,460          | \$834   | \$77   | 0%            | 9%        | (18%)       | 29%          | 9%         | 1.8x         | 1.7x        | 1.5x        | 19.0x        | 14.5x        | 12.4x        |
| <b>MEAN</b>            |             |                  |              |                  |         |        | <b>6%</b>     | <b>8%</b> | <b>(6%)</b> | <b>44%</b>   | <b>35%</b> | <b>5.4x</b>  | <b>4.9x</b> | <b>4.6x</b> | <b>15.9x</b> | <b>13.9x</b> | <b>12.6x</b> |
| <b>MEDIAN</b>          |             |                  |              |                  |         |        | <b>7%</b>     | <b>9%</b> | <b>(6%)</b> | <b>35%</b>   | <b>20%</b> | <b>2.7x</b>  | <b>2.5x</b> | <b>2.3x</b> | <b>15.7x</b> | <b>14.4x</b> | <b>12.4x</b> |

Data as of 6/22 Close of Business