



Insurance Landscape

Industry Deep Dive Winter 2023 Edition



Detailed Market Segmentation of the
Insurance Sector

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Section 1

Executive Summary



Foreword

Evolve's Insurance Market Overview

Foreword

- 2022 was a tale of two cities for the insurance market: despite heavy underwriting losses from natural disasters, the P&C segment heavily outperformed the broader economy due to sustained price increases and subsequent margin improvement; life insurers saw mixed results as upward earnings momentum from the abating pandemic and higher interest rates were muted by losses from alternative investments, which switched from a major profitability tailwind in 2021 to a drag on earnings in 2022.
- A pair of late-season hurricanes (Ian and Nicole) spiked catastrophic property & auto claims in the southeast and led to the worst net underwriting loss for the industry since 2011. Despite this, investment income lifted the industry to a net profit for the year. Going into the new year, large insurers will likely continue to benefit from price increases while smaller insurers with more exposure to reinsurance will capture a smaller portion of price increases and lag the larger players in profitability and growth.
- In a turbulent market for M&A and other corporate transactions specialty insurance distribution showed resilience, declining 9% YoY compared to 22% for the broader industry and increasing from 17% to 26% of the overall agency and brokerage market
- Rising claims inflation appears to be a short-term negative, but an intermediate and long-term tailwind for future premium growth and higher profitability; furthermore, rising claims costs will be a boon for the growing insurance services segment (e.g., claims adjusters and TPAs).
- Continued market volatility and tightening markets in 2023 will likely lead to investors and strategic acquirors turning to defensive, utility-like stocks and private, founder-owned businesses to earn a return, which benefits sellers in the insurance ecosystem.**
- 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 [Socius Insurance Services on its acquisition of Kelly Underwriting Services](#) and [Longshore Capital Partners on its acquisition of Southwest Adjusters](#)), 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 throughout the year.

Positive Trends

- 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, especially in the distribution and outsourced services segments as growing insurance demand combines with an increasingly digital-native population.
- Faced with 40-year high inflation, the Federal Reserve has increased interest rates to 15-year highs (4.50% - 4.75% federal funds rate as of 2/1/2023).
- COVID-19 related losses continue to abate for life and health carriers, with claims dropping after a heavy first quarter.

Negative Trends

- Threat of a potential recession in 2023 has led to hard credit and capital markets.
- Insurance companies' growth in developed economies is weighted towards price increases rather than organic demand increases.
- Price competition has increased due to new regulatory requirements for fee transparency.
- Profitability for life insurers remains uncertain as alternative investments remain a volatile source of income compared to traditional income-based investments.

Foreword (cont'd)

Evolve's Insurance Market Overview

Our Motivations

- For us to serve our clients better, we strive to constantly update our expertise in the industries we prioritize. This report is part of our research coverage, which includes our monthly and quarterly newsletters, and executive research notes. We recently released our [2023 macroeconomic outlook](#) in January, where we discuss how economic conditions in 2022 and going forward in 2023 will impact founder-owned businesses in our core insurance, capital markets, and lending sectors. We also welcome readers to view our [in-depth claims market update](#) published last November.
- Our clients regularly turn to us asking, "**what is our value?**" as they embrace technology-driven solutions to stay ahead of the curve.
- 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 under the different options available to take your business to the next level, such as a sale vs. a raise.
- The report attempts to be comprehensive in nature, and as such, we are constantly refreshing the subsectors for our clients and investors.
- In this report, we present our take on the insurance industry. Our intention is to put together a report that is complete as possible and tailored to assist our clients and future clients. If there is any additional information that your stakeholders would like to see added to our report, please contact the insurance investment banking team below.

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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 insured; 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 insured, 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



Section 2

Evolve Overview



Evolve Capital Partners Overview

We Focus Exclusively On Finance & Technology-Related Firms

About Evolve

- Evolve Capital Partners (“Evolve”) is a specialized investment bank focused on the Insurance, Capital Markets, and Lending sectors.
- Evolve was established in 2012 and is 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 its inception, Evolve has completed dozens of transactions, and professionals of the firm have advised on M&A and financing transactions worth more than \$90 billion.

Our Clients



Small and
Medium Size
Businesses &
Corporations



Management
Teams of Private
& Public
Companies



Private
Equity Sponsors



Independent
Directors/
Boards

Team Experience from Reputable Banking Institutions



HOULIHAN LOKEY



Dedicated “high-touch” investment bank focused exclusively on financial services and technology firms with extremely nimble and highly connected team with deep reach into strategic and financial investors globally. Our team is comprised of bankers with deep experience at bulge brackets, private equity funds, and strategic companies in the space.

Evolve Capital Partners Overview

We Focus Exclusively On Finance & Technology-Related Firms

Our Advisory Products



Our Value Proposition

- 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.
- Our industry-leading research on transaction trends across the finance & technology sector positions Evolve as a thought leader in the Insurance sector.

Focused Industry Coverage within Three Primary Sectors

INSURANCE	CAPITAL MARKETS	LENDING
CARRIERS & UNDERWRITERS	CAPITAL INTENSIVE	CORE LENDING SERVICES
TECH-ENABLED SERVICES	ADVISORY	TECHNOLOGY PROVIDERS
DISTRIBUTION	SERVICE PROVIDERS	DATA SOLUTIONS
SOFTWARE SOLUTIONS	SOFTWARE & DATA SOLUTIONS	SERVICE PROVIDERS

Evolve Advises on Three Recent Insurance Transactions

Evolve Recent Insurance Transaction Highlights

Insurance

M&A ADVISORY

KELLY

has been acquired by



Managing General Underwriter

Result:

- Socius continues to be focused on augmenting its strong organic growth with a strategic transaction in both the wholesale and MGA arena and is well positioned to support and accelerate the growth of Kelly Underwriting Services

Insurance

M&A ADVISORY

SOUTHWEST ADJUSTERS
NATIONWIDE INDEPENDENT CLAIMS ADJUSTING

has been acquired by



Independent Insurance Adjuster

Result:

- Longshore brings a partnership approach, providing an understanding of the insurance industry and support for future organic expansion activities and add-on acquisitions

Insurance

M&A ADVISORY

Knight's Solutions

has been acquired by



Insurance Services

Result:

- Vertical5 is a holding company that owns several operating companies, including a nationwide insurance services firm
- The acquisition expands the insurance services firm's claims capabilities to offer its clientele both ladder assist and inspection services
- Knight's Solutions leverages Vertical5's technology stack and infrastructure to optimize its business process and reach



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, and investors interested in the sector.

Section 3

Industry Landscape



U.S. Insurance Industry Highlights

Key Trends and Statistics

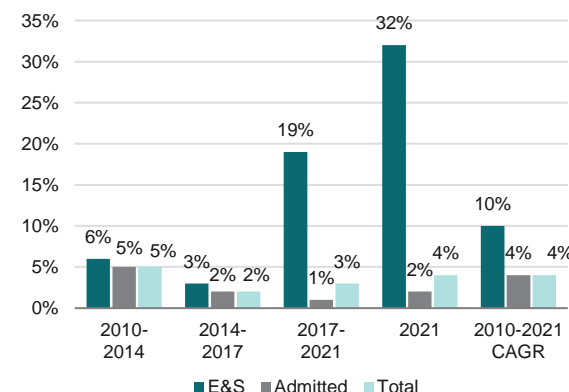
Market Trends

- Insurers experienced sizeable investment losses in 2021 due to the pandemic before rebounding 2022 due to rising interest rates and premiums. Many insurers have built significant balance sheets over recent years, which may provide some level of security as markets lurch into a volatile and unpredictable 2023.
- The rising interest rate environment improves investment yields, increasing margins and improving profitability.**
 - Both P&C and life insurers have seen improved core portfolio returns and should expect profitability boosts in the medium term if alternative investments can remain steady.
- Digital transformation continues to disrupt and change the industry.**
 - Demand for insurance management software will increase, facilitating billing, claims processing, and client engagement.
 - Growing digitalization of the industry helps with AI and telematics adoption. 50% of claim activities and 25% of the underwriting practices have been replaced by automation.
 - Data tracking and analytics tools will make insurance highly personalized and increase the prevalence of usage-based premiums, which is already prevalent in car insurance.
- Specialty insurance heats up to match shifting customer preferences.**
 - Customers are looking for more than just a broker who can complete an insurance transaction, but rather a knowledgeable advisor who provides solutions in an ever-complex world.
- Premiums are rising as the insurance market hardens.**
 - Reinsurance renewals reflect the highest P&C rate increases since 2006, and casualty rate increases are remaining firm. Primary commercial lines insurers' underwriting margin continues to expand as earned pricing remains in excess of loss trend. The outlook for commercial lines pricing to be modestly more favorable.

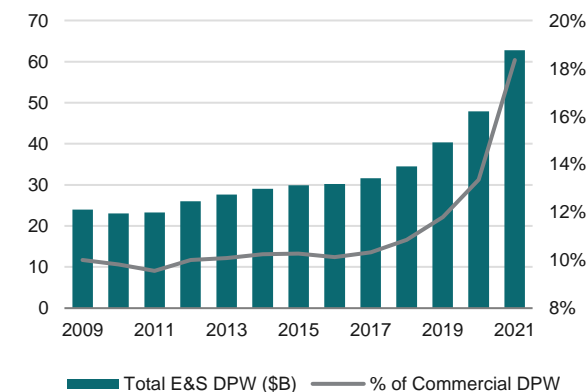
Record High E&S Direct Premiums

(USD, in Billions)

E&S vs. Admitted DPW Growth



E&S DPW Market Share Growth



Key Observations

- Rising claims and labor costs have led to insurers increasing seeking outsourced services companies such as TPAs, claims adjusters, and other third-party solutions to handle core business activities
- Specialty insurance saw higher rate increases in 2022, even as overall insurance premiums moderated
- Customers expect a lagging insurance industry to adapt the latest digital and technological innovations that have swept other industries during the past two years:
 - The percent of customers who prefer to submit claims via mobile are up 77% in 2021 compared to 2018; customers are also 80% more likely to switch carriers due to lack of a user-friendly digital interface

M&A Transaction Activity

Slowing Transaction Activity Amid Rising Interest Rates

Market Activity Overview

- In the capital markets, 2022 was a “return to normal” year for the broader insurance industry with a noticeable dip in M&A transactions.
- Rising interest rates and other economic factors in 2022 put a brake on insurance transaction activity with only 643 transactions in the first seven months.
- Transaction volume remains high in 2022 at \$16B, surpassing 2019 and 2020 levels of \$12B and \$10B, respectively.
 - Profitable companies providing mission-critical products and services still attract strong suitors’ interest and command premium valuations; M&A transaction sizes in 2022 were slightly higher than in 2021.

M&A Activity Drivers and Trends

Trend 1: Strong PE Demand for Distribution Agencies

Approximately 75% of all broker/agency transactions in 2022 involved PE funds, and PE demand for brokers remains strong, although the number of potential targets is decreasing – placing a premium on quality, profitable brokers

Trend 2: Deeper Pool of Targets

Prominent players in the market are seeking to divest their non-core businesses as the pandemic shifted business focus on core operations, creating attractive acquisition opportunities

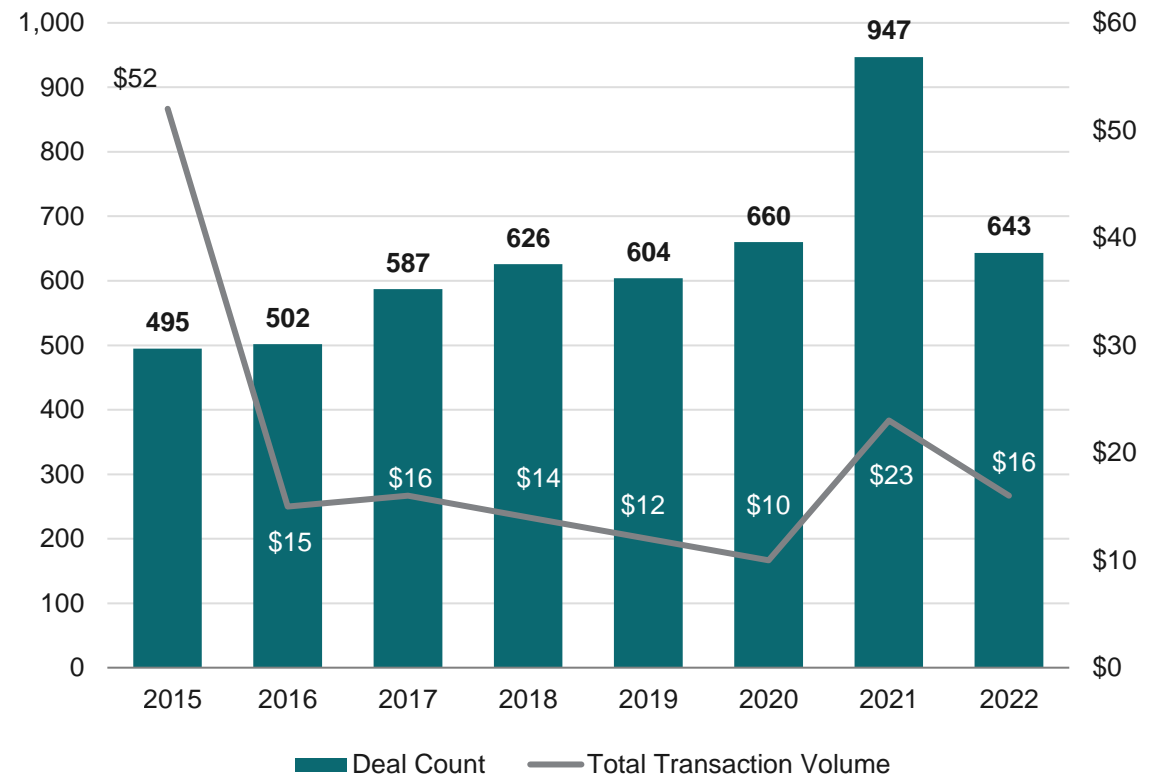
Trend 3: Technology Consolidation

Technology continues to play a key role in the insurance industry in a post-pandemic world, which accelerated the adoption of technology and made certain technologies mission-critical for maintaining existing relationships, accessing new markets, and acquiring customers

U.S. Insurance M&A Transaction Stats (2015 – 2022)

Transaction Count

Transaction Volume (USD, in Billions)



Financing Transaction Activity

Transaction Count Remains Flat While Financing Volume Sharply Contracts

Market Activity Overview

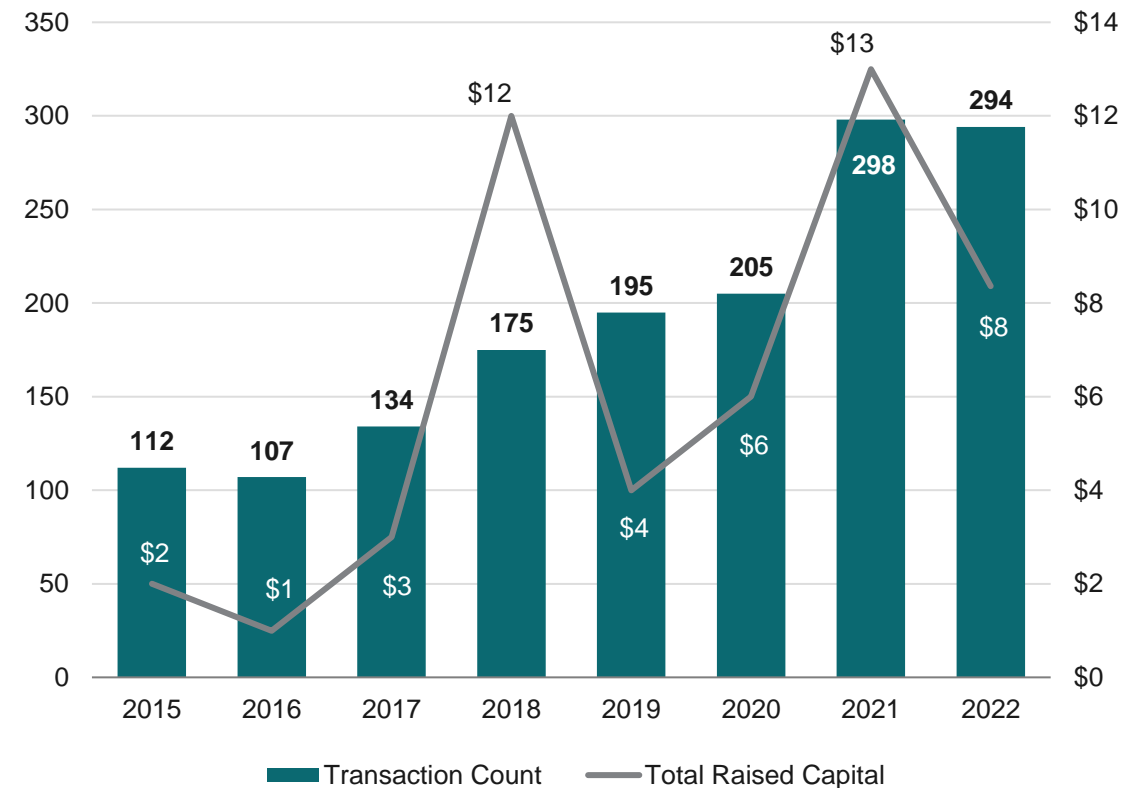
- 2022 saw a minimal drop-off from 2021 in terms of transaction count, and a continuation of the themes highlighted in 2021 amidst the pandemic: the need for technology implementation and development in the insurance industry.
- 2022 ended with 294 financing transactions as the market continued to see elevated demand in **institutional backers seeking to catch the rising trend of disruptive InsurTech.**
- Average transaction size contracted meaningfully from 2021 as investors moved downstream to earlier-stage companies after a significant number of larger transactions in 2021.
- Additionally, **the IPO market was muted in 2022** with only 1 insurance IPO in 2022.
- Several areas that attract VCs' interest are machine learning, blockchain, and direct-to-consumer solutions, among other verticals listed below:

Cyber Insurance	As cyberattacks and other online threats (ransomware, viruses, social engineering) become increasingly common, insurance solutions for both corporate and individual customers are becoming necessities
Embedded Insurance	Consumers increasingly demand convenience when purchasing insurance; embedded insurance products are bundled with the products being underwritten through a seamless digital platform
IoT Data Sources	As the IoT expands and urban areas utilize increasingly smart ways to enhance current infrastructure, insurance providers will use more and higher quality data for risk assessments
Digital Underwriting	Underwriting is at the heart of the insurance business; with rapidly changing risk factors from weather, climate, technology, and more, it is increasingly crucial to evaluate risks using a data-driven model

U.S. Insurance Financing Transaction Stats (2015 – 2022)

Transaction Count

Total Raised Capital (USD, in Billions)



Lackluster Public Performance for InsurTechs

IPOs and SPACs Slow after Elevated Activity in 2020 and 2021

Brokerages Maintain Strong Performance

- InsurTech firms started to gain popularity in mid-2020, with SelectQuote and GoHealth going public.
 - IPOs were mostly insurance brokerage/service providers in the past, but recently, digital insurance platforms have begun to gain traction.
 - Initially, firms that went public were mainly insurance marketplaces, paving the path for digital insurance carriers such as Lemonade and Root Insurance to IPO.
 - Insurance software / IT providers such as Duck Creek and MediaAlpha also went public, benefiting from the broader digital transformation trend.
- In 2020, SPACs gained popularity as an alternative to the traditional IPO, raising \$80B+; however, IPO and SPAC activity essentially evaporated in 2022 amid a volatile public market.
 - AIG deferred its public listing of CoreBridge Financial, citing market volatility as a concern, but eventually closed the transaction later in September 2022.
- In 2022, InsurTechs have plateaued, in line with the broader trend amongst tech firms, and unprofitable digital carriers suffered the most significant loss – as inflation increased their claims costs, rising interest rates reduced the value of future earnings, and the market environment favors profitable businesses.
 - For instance, Root lost over 75% of its value since its IPO price, Oscar Health lost over 90% and Lemonade lost over 40%.
- However, brokerages continued performing well in the public markets due to their robust business model, with Ryan Specialty Group up ~81% while BRP Group's stock price has more than doubled since its IPO.

Recent IPO Transaction



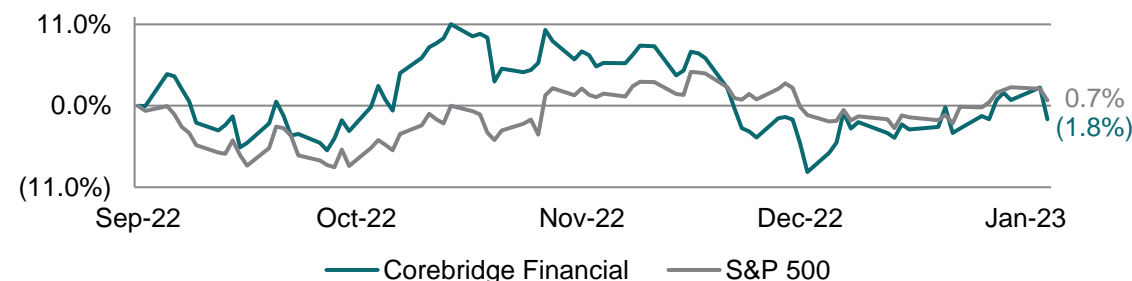
Valuation at the time of IPO: \$13B+



Company Details

- SAFG Retirement Services rebranded as Corebridge Financial refers to the life and retirement arm of AIG.
- In November 2021, AIG sold a 9.9% stake in Corebridge Financial to Blackstone.
- In March 2022, AIG announced it is in the process of publicly listing Corebridge Financial.
- In September 2022, AIG announced the closing of its IPO of Corebridge Financial valued at about \$13.4B.
- Corebridge Financial generated over \$29B in revenue as of LTM September 2022, up 53% compared to the same period in 2021.

Stock Performance Since IPO Date (9/15/22)



Select Insurance IPOs

Transaction Highlights (1/3)






(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
1/13/23	 SKYWARD SPECIALTY INSURANCE	Traditional Carrier	Skyward Specialty engages in underwriting commercial property and casualty insurance coverages.	\$18.90	8.95	\$169	\$711	1.2x	24.2x	26.9%
9/15/22	 corebridge financial	Traditional Carrier	Corebridge provides retirement solutions and life insurance products. Corebridge was a division of AIG prior to IPO.	\$21.00	80.00	\$1,640	\$13,223	0.4x	1.2x	(3.1%)
11/18/21	 definity.	Traditional Carrier	Definity Financial Corporation provides property and casualty insurance products in Canada.	\$16.42	73.18	\$1,200	\$2,600	1.6x	9.3x	59.8%
7/21/21	 RSG RYAN SPECIALTY GROUP	Brokerage	Ryan Specialty Group operates as a service provider of specialty products and solutions for insurance brokers, agents, and carriers. It offers distribution, underwriting, product development, administration, and risk management services by acting as a wholesale broker and a managing underwriter.	\$23.50	56.92	\$1,338	\$6,008	5.4x	121.3x	82.5%
6/23/21	 Bright Health Group	Digital Distribution	Bright Health Group provides health insurance policies in the United States. It delivers virtual and in-person clinical care services to patients under contracts through its owned and affiliated primary care clinics and offers commercial and Medicare health plan products.	\$18.00	51.30	\$924	\$11,230	9.5x	NMF	(95.2%)

Select Insurance IPOs

Transaction Highlights (2/3)






(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
5/7/21	 (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	(75.0%)
3/3/21	 (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	(92.2%)
12/17/20	 (NAS:MDWT)	Traditional Carrier / Reinsurer / Software Solutions	Midwest Holding is a financial service holding company, with businesses such as American Life (insurer) and Seneca Re (captive reinsurance company).	\$70.00	1.00	\$70	\$154	12.1x	89.1x	(78.8%)
10/28/20	 (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	(80.9%)
10/28/20	 (NYS:MAX)	Software Solutions	MediaAlpha provides a platform that facilitates insurance carriers and distributors target and acquire customers.	\$70.00	1.00	\$70	\$154	12.1x	89.1x	(36.4%)

Select Insurance IPOs

Transaction Highlights (3/3)







(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 (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	(29.4%)
7/16/20	 TREA Insurance Group (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	(59.9%)
7/15/20	 GoHealth (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	(26.6%)
6/25/20	 BRP (NAS:BRP)	Brokerage	BRP 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	114.9%
5/21/20	 SELECTQUOTE (NYS:SQLT)	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	(96.4%)

Key Insurance SPAC Transactions

Transaction Highlight

(USD in millions)

Announce Date	Close Date	Target Company	Description	Target Market Value (MV)	Target Revenue	Net Income	Target MV / Revenue	P / E Multiple	% Change Since Close Date
2/24/22	9/15/22	 FOXO (ASE:FOXO)	FOXO Technologies is a technology platform company focused on commercializing longevity science through products and services that serve the life insurance industry	\$369	\$137	(\$64)	2.7x	NMF	(94.5%)
8/18/21	1/3/22	 HAGERTY (NYS:HGTY)	Hagerty is a provider of specialty automotive insurance. It offers insurance for cars, boats, trucks, motorcycles, tractors, motorsports, and others.	\$3,134	\$554	(\$6)	5.7x	NMF	(34.3%)
3/4/21	8/2/21	 Hippo (NYS:HIPO)	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	\$57	(\$142)	66.7x	NMF	(92.8%)
2/3/21	8/2/21	 CCC (NYS:CCCS)	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	\$633	(\$17)	10.3x	NMF	(18.8%)
11/24/20	2/9/21	 Metromile (NAS:MILE)	Metromile is a digital insurance platform which offers real-time, personalized auto insurance policies by the mile.	\$1,253	\$31	(\$56)	40.4x	NMF	(89.4%) ⁽¹⁾
10/6/20	1/7/21	 Clover Health (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	NMF	(92.4%)

Section 4



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

	Region	Industry
	City	Sub-Sector (or Sub-Industry)
	Neighborhood	Product Type
	Zip Code	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

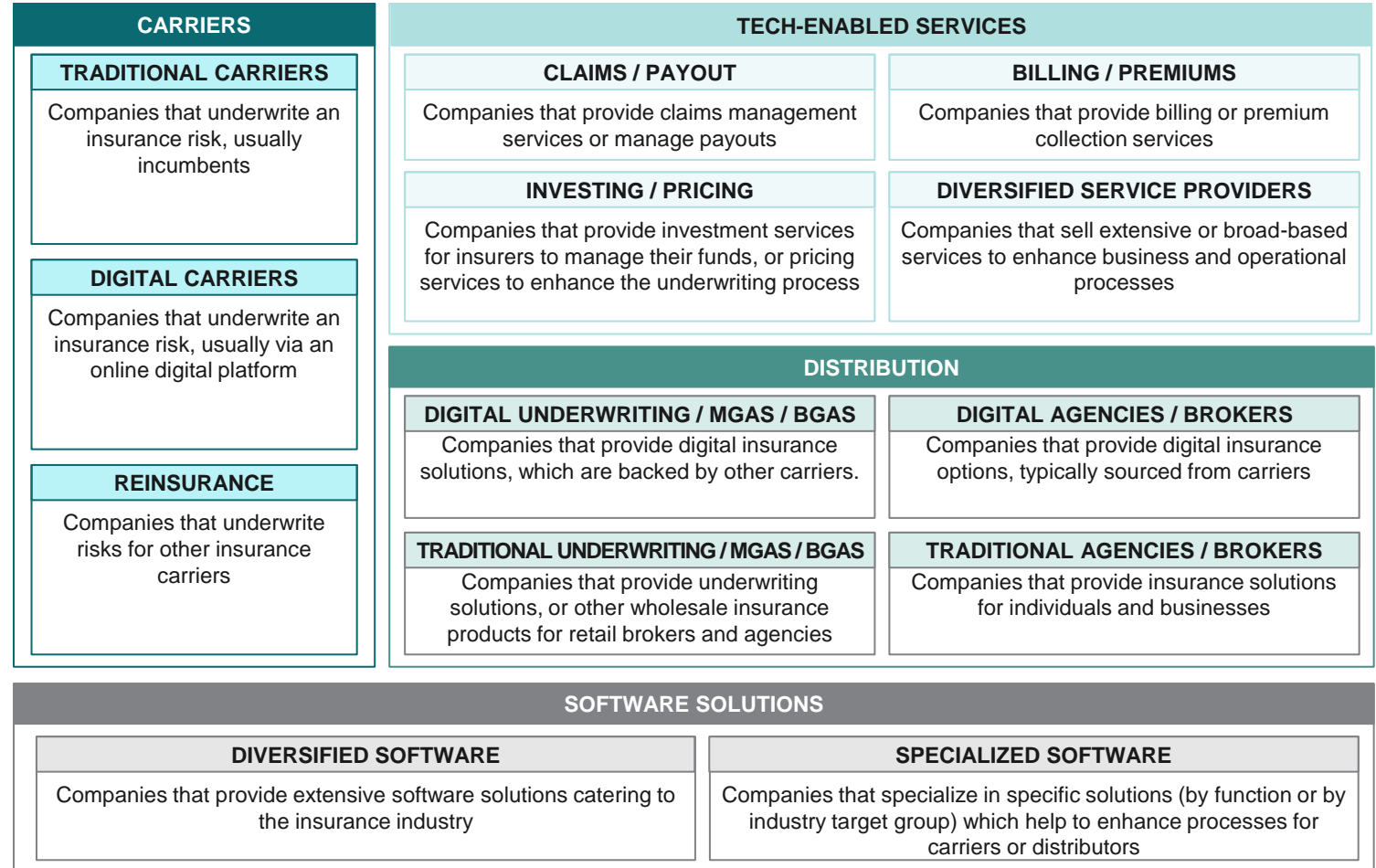
Area	Location
Broad Sub-Sector Market Map & Overview	
Carriers 	Page 23
Distribution 	Page 27
Software Solutions 	Page 31
Tech-Enabled Services 	Page 35
Evolve Areas of Interest	
CARRIERS	Traditional Carriers > P&C Page 37
	Traditional Carriers > Specialty Page 40
	Digital Carriers Page 43
DISTRIBUTION	Traditional Underwriting / MGAs / BGAs Page 46
	Traditional Agencies / Brokers / Distributors
	Digital Underwriting / MGAs / BGAs Page 49
SOFTWARE SOLUTIONS	Digital Agencies / Brokers / Distributors
	Specialized Software Page 52
	Data Analytics Page 55
TECH-ENABLED SERVICES	Diversified Software Page 58
	Specialty Service Providers (Billing and Premium) Page 61
	Specialty Service Providers (Actuarial and Telematics) Page 64
	Specialty Service Providers (Claims and Payments) Page 67
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 broad, 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.
- The industry mainly revolves around insurance carriers, with several sub-sectors that 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 serve 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.
 - Most of these firms do not specialize in the insurance industry. These companies are ancillary services/software providers.
- The above-highlighted core and sub-sectors are our key areas of interest.
 - The industry report will dive deeper into these areas through market maps and market trend research.



Carrier Landscape

★ = Evolve Area of Interest Public Market Comps pages 71 - 75

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

- The overall insurance industry has struggled to generate returns in excess of cost of capital over the past two decades, driven by lack of investment into technology and digitalization, as well as rising cost bases for both life and P&C carriers
- P&C insurance accounted for approximately a quarter of the total written premiums in the U.S. in 2022. The top 10 P&C insurers overall had a collective market share of ~48% in 2022.
- P&C insurers faced headwinds as inflation increased claims costs. Catastrophic events such as California wildfires and Hurricanes Ian and Nicole added to the industry loss ratio.
- While continued pricing momentum has partially offset the rising claims costs, combined ratios hit 100% in 2022, although they expect to improve in 2023 as inflationary pressures subside.
- The evolving risk landscape where new risks emerge (pandemic, intangible assets, etc.) that create uncertainty, forces insurance providers, especially smaller ones, to develop innovative solutions and specialize based on prevailing market demand to remain relevant.

Traditional Carriers



Carrier Landscape



= Evolve Area of Interest Public Market Comps pages 71 - 75

Personalized Insurance For You

- Customers are increasingly demanding insurance products customized to their needs and risk profile, instead of “one-size-fits-all” policies that have typically dominated the industry.
- Both new, technology-based digital entrants and large incumbents are looking to further expand their technological toolkits in order to meet this rising demand.
- As markets face continued volatility and elevated interest rates in 2023, the digital carrier and InsurTech segments will increasingly focus on strong business fundamentals and profitable unit economics instead of the “growth-at-all-costs” mentality over the past decade.
- Major transaction:** Berkshire Hathaway acquired Alleghany for \$11.4B, a 29% premium to 30-day average stock price.
- Based on pricing as of 1/18/23, Oscar (down 90%) and Root (down 75%) have declined significantly from their IPO price, while Lemonade's price is now (40%) down from February 2022 highs. If this trend persists, it could affect investor sentiment in digital carriers in 2023. More than ever, investors seek out a path to profitability in today's market.

Digital Carriers

★ Page 43



Reinsurance



Carrier Market Overview

Background

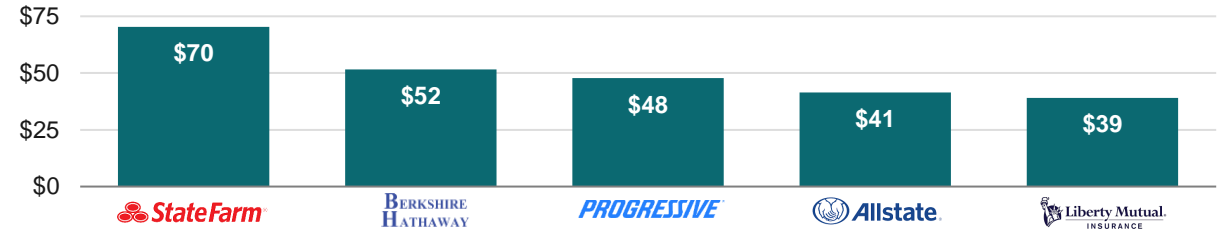
- Insurance carriers underwrite risks, primarily in the property & casualty (P&C) and life & health (L&H) segments.
- P&C carriers recorded a \$24B underwriting loss through YTD September 2022 (up from \$6B in the same period in 2021), driven by high catastrophic property & auto losses in the Southeast United States driven by Hurricanes Ian and Nicole. The overall industry recorded a net profit driven by high investment and fee income.
- L&H insurers saw the opposite trend: COVID-19 driven underwriting losses tapered off after the first quarter, but poor alternative investment performance led to lower profitability compared to the P&C segment.

Industry Trends

- P&C premium growth tapered off in 2022 after half a decade of consistent price increases; however, claims costs, driven by inflation and labor shortages continued to rise through the year.
- As their cost bases rise, both P&C and L&H carriers are increasingly searching for outsourced solutions (TPAs, claims adjusters, claims processors, etc.) to help management costs in a volatile macroeconomic environment
- Demand for cyber insurance coverage continues to be strong as data breaches have become widespread. After cyber insurance premiums skyrocketed in 2021, rate increases have tapered (54% average rate increase as of July 2022 compared to 133% in December 2021).

Top 5 U.S. P&C Insurance Carriers by Direct Premiums Written in 2021

(USD, in Billions)



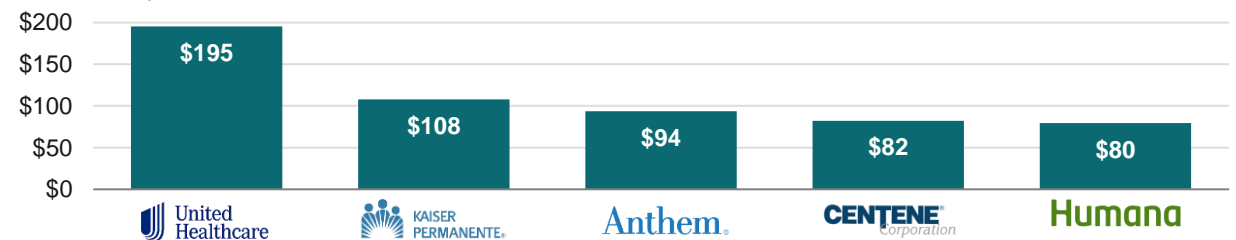
Top 5 U.S. Life / Annuity Insurance Carriers by Direct Premiums Written in 2021

(USD, in Billions)



Top 5 U.S. Health Insurance Carriers by Direct Premiums Written in 2021

(USD, in Billions)






















Carrier Market Overview (Cont'd)

Strong Market Activity in the First Half of 2022 with no Sign of Slowing down

Key Recent M&A Transactions

(USD in millions)

Announce Date	Target	Buyer	Target			
			Purchase Price	Revenue Multiple	P / E	P / BV
11/18/22	 Delaware Life [®]	 NASSAU	NA	NA	NA	NA
10/25/22	 Digital Edge <small>STABILITY • SECURITY • EFFICIENCY • COMPLIANCE</small>	 ManyPets	NA	NA	NA	NA
8/15/22	 Digital Affect Insurance	 Coalition	NA	NA	NA	NA
8/11/22	 Trustmark <small>benefits beyond benefits</small>	 HCSC <small>Health Care Service Corporation</small>	NA	NA	NA	NA
8/8/22	 American Reliable <small>Insurance Company</small>	 ECM <small>ECM Insurance Group</small>	\$40	NA	NA	NA
8/1/22	 Reserve National Insurance Company <small>FOR LIFE AND RETIREMENT - COMMERCIAL LIFE</small>	 MEDICAL MUTUAL	\$90	NA	NA	NA
7/25/22	 Settlers Life <small>It's about people.</small>	 Everly	NA	NA	NA	NA
6/10/22	 NATIONAL FLOOD SERVICES	 UniFi <small>MANAGEMENT</small>	NA	NA	NA	NA
3/21/22	 Alleghany	 BERKSHIRE HATHAWAY INC.	\$11,410	1.0x	11.0x	1.2x
2/28/22	 ORCHID <small>Health Care</small>	 Brown & Brown Insurance	NA	NA	NA	NA

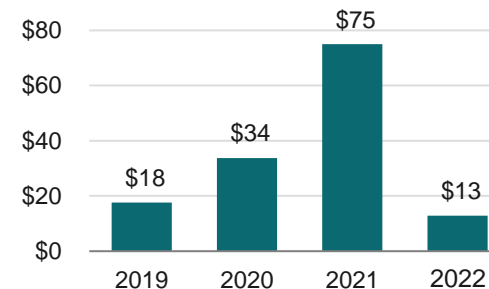
Driver of M&A / Observations

- Insurance carrier space M&A slowed significantly in 2022 from 2021; total deal volume dropped from \$75B in 2021 to \$13B in 2022, with \$11B of the total coming from Berkshire Hathaway's acquisition of Alleghany in March.
- The changing market conditions forced insurance companies to reconsider their existing portfolios and optimize their core offerings.
- Through the process, several players have been evaluating business models, making decisions to either carve out business units or acquire complementary targets. For instance, AIG closed the IPO of its life & retirement unit, and rebranded it as Corebridge Financial, at a valuation of \$13.4B.
- Accelerating digitization, driven by shifting norms (such as working from home), is also a key consideration for insurance carriers when considering strategic acquisitions.

Deal Activity Returning to Normal After Strong 2021

US & Bermuda Carrier M&A Deal Value

(USD, in Billions)



Carrier Highlights



Digital Edge acquired ManyPets, which gives ManyPets the ability to underwrite its own products



AIG closed the IPO of its life & retirement unit and rebranded it as Corebridge Financial, at a valuation of \$13.4B.

Distribution Landscape



= Evolve Area of Interest Public Market Comps pages 71 - 75

MGAs Are Quickly Evolving to Adapt in a Highly Competitive Environment

- Several digital MGAs have transitioned to become carriers, but this trend has slowed as financing has become more difficult to obtain
 - Coalition, a cybersecurity-focused MGA purchased Digital Affect Insurance Company from Munich Re in August 2022
- MGAs that develop strong underwriting capabilities benefit from becoming carriers as they can capture a larger share of the profits.
- MGAs are generally smaller and nimbler than carriers, so they are quicker in iterating their products, upgrading their technology, and entering new markets by partnering with other InsurTech firms. They specialize in adapting quickly to the changing risk horizon.
- Tech-enabled MGAs (or those transitioning towards tech) are exploring additional 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

★ Page 46



Digital Underwriting / MGAs / BGAs

★ Page 49



Distribution Landscape



= Evolve Area of Interest Public Market Comps pages 71 - 75

Tech-Based Growth Models Become Crucial

- Rising demand for insurance coverage has led to growing insurance premiums and commissions for the past half decade. Certain subsectors such as auto insurance have seen premiums skyrocket, driven by higher repair costs (which are driven by higher labor costs and supply chain shortages) and higher accident rates.
- Agencies and brokerages remain highly attractive acquisition targets despite rising interest rates, offering opportunities to expand into new geographies and add new capabilities.
- Distributors benefit from price increases (since they operate on a commission-basis) typically without taking on full or any risk for claims payouts, making it an attractive business model in an environment of high prices and high claims costs
- An increasingly complex risk horizon creates new opportunities, but distribution capabilities are crucial to capture them:
 - Brokers need to establish effective digital marketing channels to reach consumers in an efficient and cost-effective manner.
 - Customers are willing to pay higher premiums for specialty insurance products tailored to their specific needs.

Traditional Agencies / Brokers / Distributors

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Digital Agencies / Brokers / Distributors

★ Page 49



Distribution Market Overview

Background

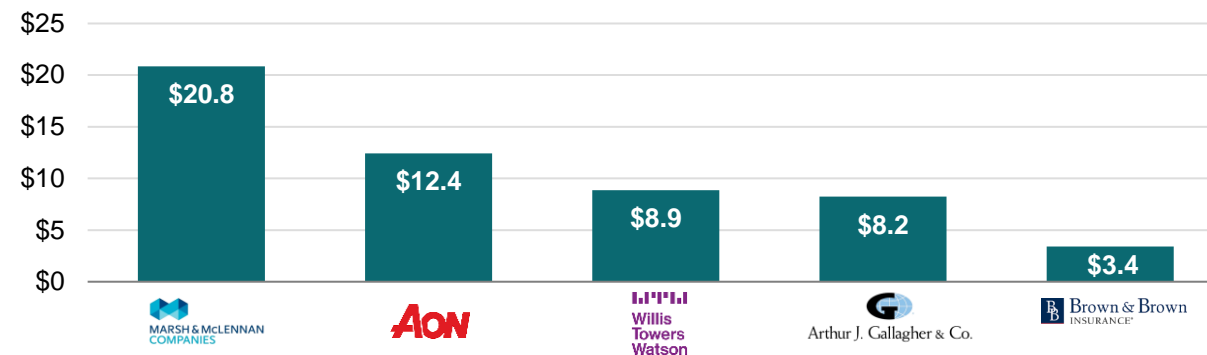
- Insurance brokerages and agencies are intermediaries that sell consumers insurance coverage offered by their insurer network.
- Agencies usually represent insurance companies, while brokerages represent consumers and have access to a broader range of insurance products.
- The top three brokerages are Marsh and McLennan, Aon, and Willis Towers Watson.
- In June 2022, Howden Group announced the acquisition of TigerRisk Partners, a reinsurance broker, and risk/capital management advisor, for a consideration of \$1.6B. The acquisition will further enhance the scale and depth of Howden's reinsurance and capital markets offering.

Industry Trends

- Recently, digital brokers threatened the traditional model and expect to gain more market share.
- Geopolitical instability (Russian-Ukrainian War, tensions in Taiwan), rising interest rates, and inflation has led to significant contraction within the brokerage M&A market, with transaction volume decreasing 22% over 2021.
- A longer-term recovery requires firms to adapt to the post-pandemic world, with emphasis on product personalization, cloud & automation, compliance, cybersecurity, and risk management.
- Evolve expects specialty insurance distribution to continue its hot streak as carriers look to expand specialty offerings to take advantage of higher premiums / margins.

Top 5 U.S. Insurance Brokerages by LTM Revenue (as of 9/30/22)

(USD, in Billions)



Top 5 Benefits Brokerages by Revenues - 2021

(USD, in Billions)



Distribution Market Overview (Cont'd)

Key Recent M&A Transactions

(USD in millions)

Announce Date	Target	Buyer	Target				
			EV	Revenue	EBITDA	EV / Revenue	EV / EBITDA
11/30/22	 Wholesale Business		NA	NA	NA	NA	NA
11/29/22			NA	NA	NA	NA	NA
11/17/22			NA	NA	NA	NA	NA
11/14/22			NA	NA	NA	NA	NA
11/7/22			NA	NA	NA	NA	NA
9/29/22			\$193	\$40	\$12	4.8x	~16.0x
6/9/22			\$1,600	NA	NA	NA	NA
5/9/22			\$1,775	NA	NA	NA	NA
11/17/21			\$320	NA	NA	NA	NA

Driver of M&A / Observations

- Distribution market activity rose in 2020, accelerated in 2021, and declined in 2022 as potential investors and acquirers decided to delay transacting until markets normalize.
- Overall distribution M&A volume was down 22% compared to 2021; specialty insurance distribution declined 9% while demand for specialty products continued to rise.
- The M&A recovery was driven by a combination of repressed demand and the expected increase in capital gains tax.
- M&A activity forecast will likely continue due to several factors, leading to further brokerage/agency consolidation:
 - Private equity sponsors continue to deploy capital to proven businesses, despite rising interest rates.
 - Distribution market is still highly fragmented with tens of thousands of brokerage/agencies across the country, with many being prime acquisition targets.

Top Acquirors 2022



Abu Dhabi Investment, Oak Hill Advisors, and Security Investors



Arthur J. Gallagher & Co.

BlackRock Fund Advisors



Hellman & Friedman



RSC Insurance Brokerage

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

Insurance Software Landscape



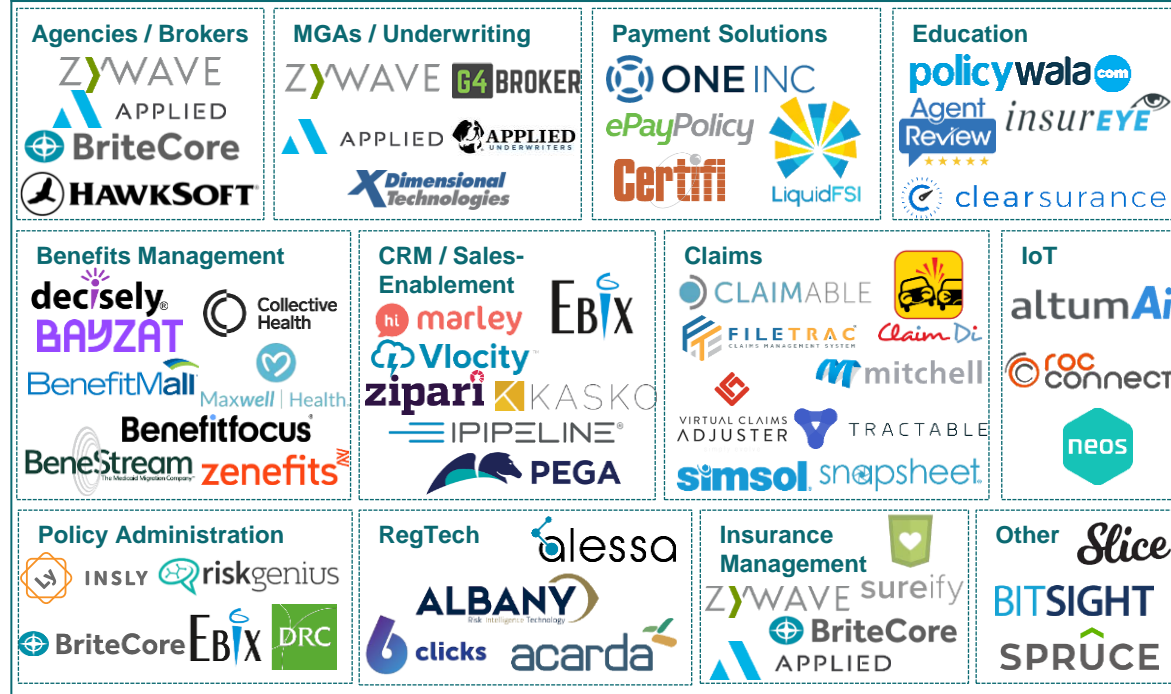
= Evolve Area of Interest Public Market Comps pages 71 - 75

Advanced Technologies Drive Strong Interest

- In 2021 and 2022, there was significant attention on InsurTech companies that utilize the latest forms of technology, such as AI.
- Technology advancement in the insurance space attracts investors in the subsector. For example:
 - Pie Insurance, a leading tech-enabled provider of workers' compensation insurance to small businesses along with local, regional, and national insurance agencies, received \$315mm in Series D funding in September 2022.
 - Coalition, a developer of a cyber risk platform that offers risk management tools and cyber insurance for managing and mitigating cyber risk, received \$250mm in Series F funding at a \$5.0B post-valuation in July 2022.
- Market volatility will likely lead to a renewed focus from investors on profitable unit economics and sustainable growth trajectory, as opposed to pure growth investments.
- With software in the industry still ripe, Evolve expects continued growth and potential acquisitions. Many legacy players are looking to add technology to their platforms and often consider acquiring other insurance software players than building in-house technology.

Specialized Software

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Data Analytics

★ Page 55



Diversified Software

Core Software Providers

★ Page 58



Ancillary Software Providers

★ Page 58



Insurance Software Solutions Market Overview

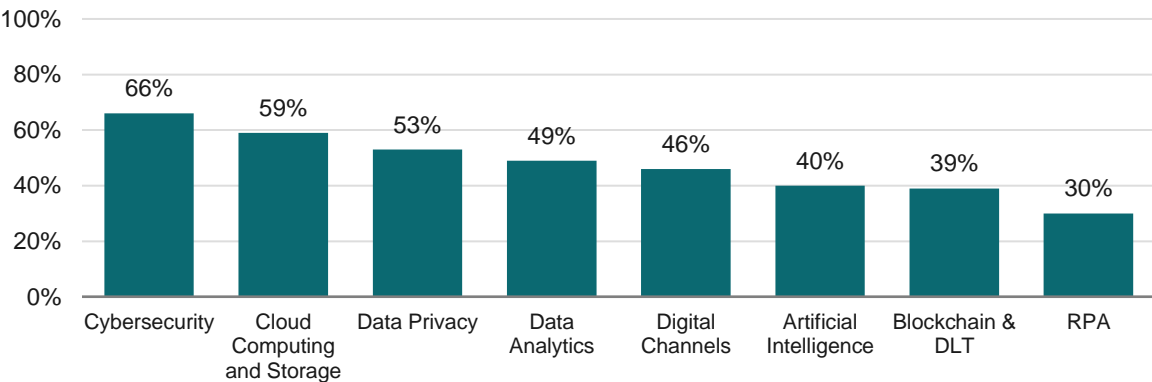
Background

- The emergence of FinTech over the past decade has led to new digital and mobile payment / financial capabilities, eventually driving similar expectations in the insurance space.
- InsurTech and software saw explosive growth over the past few years as disruptors saw ample opportunity to add value in a legacy industry with limited tech-enablement.
- As market volatility, inflation, and rising interest rates battered the broader FinTech and technology sectors, InsurTech provide somewhat resilient; venture financing dropped in terms of transaction volume but transaction count held fast. Meanwhile, InsurTech M& A exits surged 40% in 2022.

Industry Software Trends

Trends	Explanation	Opportunities
Insurance Coverage Gaps	Customers seek coverage options for emerging risks such as political disruption, technological transformation, environmental catastrophes, and cyber-security risks.	Insurers need to offer new product coverage to cater to changing customer needs.
New Risk Areas Emerge	Providing niche or emerging risk coverage poses additional risks for insurers.	Investments in underwriting technology can improve predictions in relatively unknown risk areas.
Customization and Personalization	Consumers' needs have expanded: competitive pricing and high-quality products in addition to convenience.	There is a solid need for customized insurance solutions based on each customer's profile, which will require extensive digitalization and analytics capabilities.

Percent of CIOs Surveyed in 2021 Expecting an Increase in Spend in the Following Categories



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
1/9/23	 Duck Creek Technologies	 VISTA	\$2,600	\$310	\$6	8.4x	NMF
10/17/22	 MIS	 ReSourcePro	NA	NA	NA	NA	NA
9/14/22	 Intellagents	 FATBRAIN	NA	NA	NA	NA	NA
7/12/22	 Formfire	 agencybloc	NA	NA	NA	NA	NA
7/11/22	 AGENCY SOFTWARE	 HARRIS	NA	NA	NA	NA	NA
6/30/22	 towerIQ	 ReSourcePro	NA	NA	NA	NA	NA
6/28/22	 MGA Systems	 Vertafore	NA	NA	NA	NA	NA
5/6/22	 AXIOM	 Cogitate	NA	NA	NA	NA	NA
2/9/22	 safekeep	 CCC	\$33	NA	NA	NA	NA

Driver of M&A / Observations

- Carriers and insurance services companies are constantly looking to improve their technology stack, and often find it easiest to acquire the necessary tools instead of building them on their own.
- M&A in the insurance software space is primarily transacted by other strategics in the software space and private equity-backed insurance companies.
- One of the most significant recent transactions was Vista Equity Partners' acquisition of Duck Creek Technologies, a leading SaaS provider of core cloud systems for the P&C insurance industry. Duck Creek was acquired for \$2.6B (\$19 per share), a 64% premium to 30-day VWAP

Top Insurance Software Acquirors

Acquiror	Acquisitions (CY'20-'22)	Recent Acquisitions
 Verisk	12	 mavera  Automated Insurance Solutions
 insurity	7	 maprisk  AUSUM SYSTEMS  instec
 ZYWAVE INSURING GROWTH	7	 SIS strategic insurance software Agency Management Software  clariondoor  IBQ Systems A ZYWAVE COMPANY
 ReSourcePro	5	 MIS a ReSourcePro company  towerIQ
 MAJESCO	4	 GLOBAL IQX  UTILANT

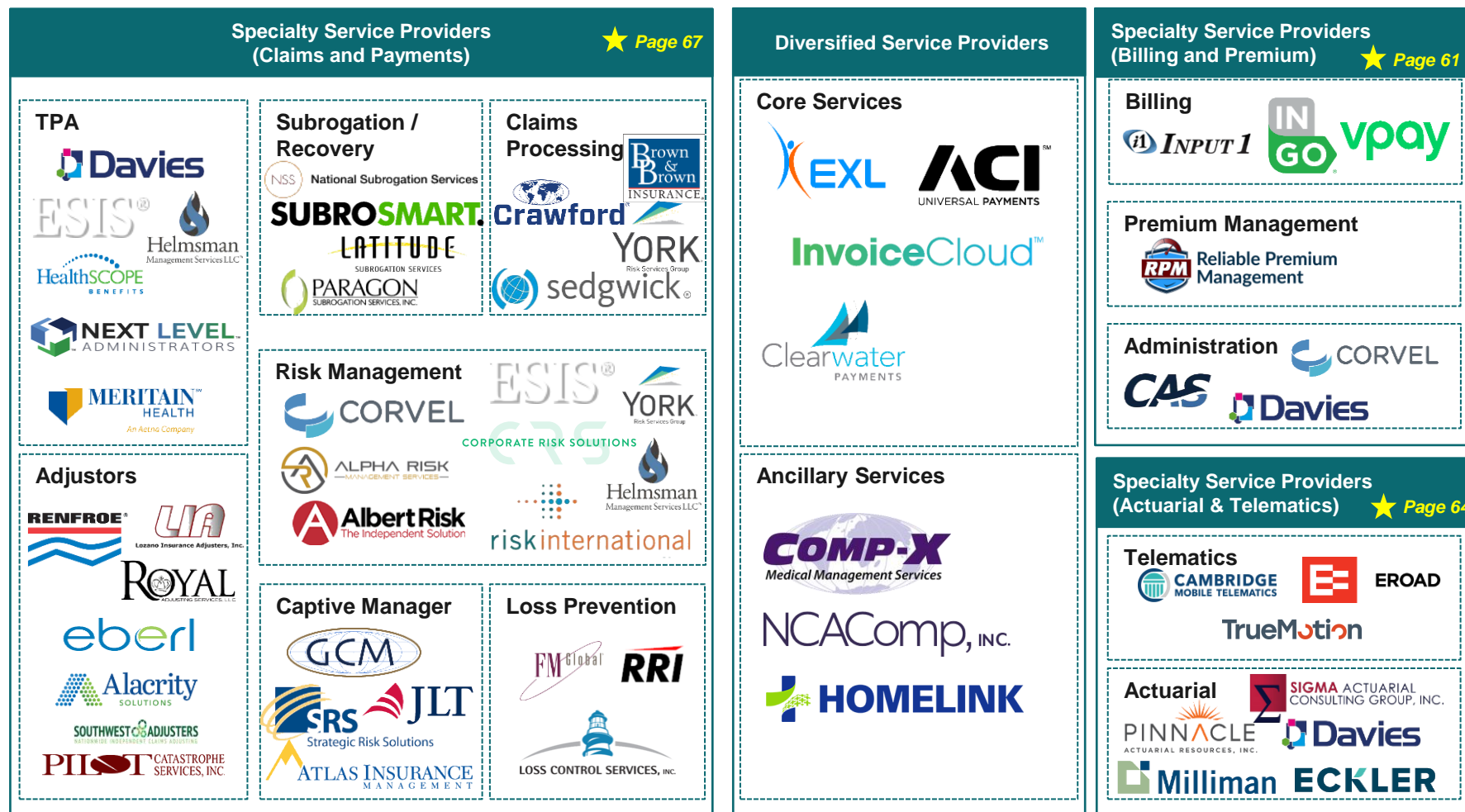
Insurance Services Landscape



= Evolve Area of Interest Public Market Comps pages 71 - 75

Tech-enabled Services Provide Essential Support for Carriers

- Carriers are under pressure to rationalize costs and consolidate vendor relationships, which places pressure on tech-enabled service providers to innovate further but also create more opportunities for these companies to provide niche solutions.
- Additionally, inflation-driven rising labor and claim costs have led to many carriers looking for outsourced solutions to handle tertiary business activities.
- With the number of claims-related professionals 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 the acquisition of Southwest Adjusters, a Texas-based leading multi-line independent insurance adjustment agency by Longshore Capital Partners ([Evolve served as exclusive financial advisor to Longshore](#)).



Tech-Enabled Services Market Overview

Background

- In recent years, technology-enablement has shifted from “nice-to-have” to mission-critical for insurance firms as they adapt to an ever-changing global environment.
- An ecosystem of business service firms specializing in technology niches, many of which provide essential services such as billing, claims management, policy administration, and risk management services have appeared to fill that need for tech-enablement.
- The pandemic highlighted gaps in insurers’ technology capabilities, with non-tech enabled processes facing severe bottlenecks and operational disruptions.
- Insurance tech-enabled service providers serve carriers, brokerages, agencies, and other service providers.

Industry Trends

- Usage-based insurance (“UBI”) is a type of auto insurance that tracks mileage and driving behaviors, allowing insurers to more closely align driving behaviors with premium rates.
- In-vehicle telecommunication (telematics) devices are electronic equipment installed directly into vehicles that track data points used in the underwriting process: miles driven, time of day, where the vehicle is driven, rapid acceleration, hard braking, hard cornering, etc.
- Telematics companies collect and analyze key data points that allow insurers to effectively administer UBI; UBI benefits insurers with more accurately priced premiums, and responsible customers with lower premiums and higher control over their prices.
- Company highlight:**

TrueMotion

Telematics company focused on using smartphone data to detect driving patterns, specifically distracted driving

Key Recent M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Purchase Price	Revenue Multiple	EBITDA Multiple
10/24/22	 SOUTHWEST ADJUSTERS NATIONWIDE INDEPENDENT CLAIMS ADJUSTING	 LONGSHORE CAPITAL	NA	NA	NA
9/8/22	 JOHNS EASTERN Claim Adjusters & Third Party Administrators	 Davies	NA	NA	NA
7/5/22	 LOREGA	 geo/	NA	NA	NA
2/28/22	 The Floow	 otonomo	\$69	NA	NA
2/9/22	 safekeep	 CCC	\$32.5	NA	NA
10/4/21	 American HEALTHCARE ALLIANCE	 MDI NETWORKX YOUR DIGITAL TRANSFORMATION PARTNER	NA	NA	NA

Section 5

In-Depth Sector Research



Market Overview

Carriers > Traditional Carriers > P&C Insurers

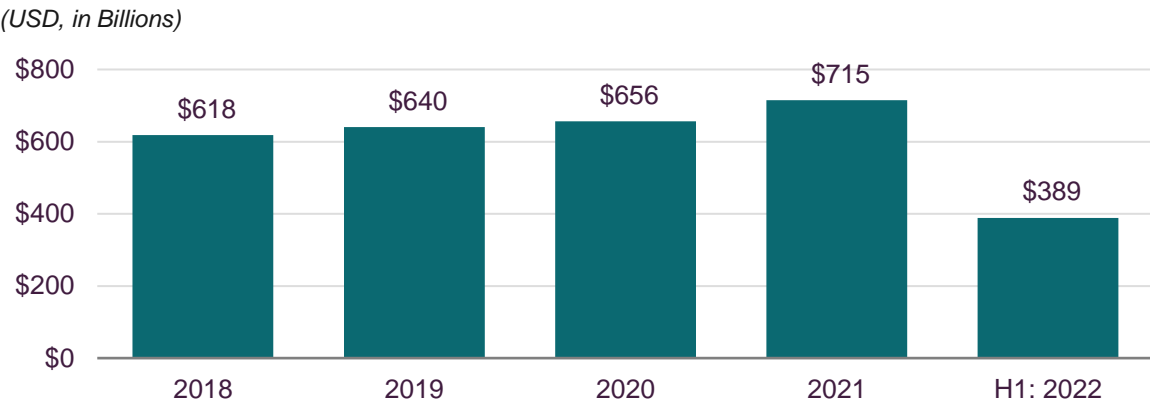
P&C Market Activity

- P&C insurers recorded a \$24B underwriting loss through YTD September 2022, driven by natural disaster claims in the Southeast United States (Hurricane Ian and Nicole)
- Auto insurers have faced both hurricane-related losses and overall claims cost increases due to inflation and supply chain disruptions across the automobile sector
- Property insurers are integrating geolocation practices, including geolocation data, to better predict properties at risk.
- Faced with rising claims costs and uncertain market sentiment, insurers are increasingly turning to usage-based insurance (“UBI”) to provide more accurate and fair premium pricing to customers and improve loss ratios. A variety of telematics InsurTech companies have emerged to augment the UBI implementation process.

Market Trends

Data Driven Insurance	Root insurance emphasized the use of telematics to determine wage-based pricing
Direct to Consumer	Lemonade and Oscar’s offerings help to ensure what consumers want and deliver the same with accuracy
Specialized Insurance	There is a need to compete by product differentiation (i.e., niche enterprise and consumer insurance)
Machine Learning	The 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 utilize the data to derive meaningful insights

U.S. P&C Net Premiums Written by Year



P&C Insurance Statistics

- The industry reported a 100 combined ratio in the first half of 2022, up from 97 in the same period in 2021
- The industry reported net underwriting losses in of \$24.3B in the first three quarters of 2022, following 2021 when P&C reported the first net underwriting loss since 2017
- Despite high 2022 underwriting losses, the net income was positive due to strong investment performance
- After the past few years of rising claims costs, rising premiums and higher investment yields are projected to improve underwriting margins from 2023 onwards as inflationary pressures on claims costs ease.

Capital Markets & Transaction Activity

Carriers > Traditional Carriers > P&C Insurers

Capital Markets Overview

- Following a record-breaking 2021, M&A activity in 2022 showed a decline for the P&C insurers amid geopolitical instability, rising interest rates, and inflation. Total deal volume declined to 26 transactions in H2:22 as compared to 41 transactions during the same period in 2021.
 - Primary reason for this decline is attributed to increased transaction costs and hindered returns on investment.
 - High P&C prices due to increased claims costs as a result of ongoing supply chain disruptions and inflation is also a contributing factor to the decline.

Prolific Insurance Private Equity Investors

Financial Groups

J.C. FLOWERS & CO.

STONE POINT CAPITAL

Key Portfolio Companies



Select M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Purchase Price	Revenue Multiple	P / E	P / BV
10/25/22	Digital Edge	ManyPets	NA	NA	NA	NA
9/20/22	MISSOURI RURAL SERVICE CORP.	accretive	NA	NA	NA	NA
9/9/22	NATIONAL TRUCK PROTECTION	JM&A GROUP	NA	NA	NA	NA
8/15/22	Digital Affect Insurance	Coalition	NA	NA	NA	NA
8/8/22	American Reliable Insurance Company	ECM Insurance Group	\$40	NA	NA	NA
7/6/22	Sebastian Insurance	RISK strategies	NA	NA	NA	NA
6/10/22	NATIONAL FLOOD SERVICES	UniFi	NA	NA	NA	NA
3/21/22	Alleghany	BERKSHIRE HATHAWAY INC.	\$11,410	1.0x	11.0x	1.2x
11/8/21	Metromile	Lemonade	\$517	6.0x	NMF	2.4x

P&C Insurance – Select Transaction Profiles

Carriers > Traditional Carriers > P&C

Digital Edge Acquired by ManyPets

- In October 2022, Digital Edge Insurance Company was acquired by ManyPets for an undisclosed amount.
- Digital Edge operates as an insurance carrier company based out of Delaware, United States. The company offers wide range of insurances services to its customers.
- The acquisition will enable the wider ManyPets group to underwrite its own policies, giving ManyPets more flexibility in the US market as it continues its fast-paced growth.



National Flood Services Acquired by UniFi

- In June 2022, National Flood Services was acquired by UniFi Management for an undisclosed amount.
- National Flood Services is a provider of flood insurance policy servicing and processing services based in Montana. The company processes insurance applications and manage claims on behalf of independent agents and insurance companies on a contract basis.
- The acquisition will combine strengths of UniFi and NFS to deliver improved technology and services that propel UniFi forward as the premier floor insurance service provider.



National Truck Protection Acquired by JM Family Enterprises

- In August 2022, National Truck Protection was acquired by JM Family Enterprises for an undisclosed amount.
- National Truck Protection is a provider of aftermarket warranty services intended to serve the medium and heavy-duty used commercial truck industry. The company offers a variety of extended warranties for commercial vehicles that cover major equipment.
- The acquisition will benefit both companies from sharing best practices and collaborating on new products to best serve their customers' needs.



Alleghany Acquired By Berkshire Hathaway

- In March 2022, Berkshire Hathaway announced the acquisition of Alleghany for \$11.6B and the transaction closed in October 2022.
- Alleghany operates as a property and casualty insurance company that owns and manages subsidiaries that operate reinsurance and insurance operations. The company also executes certain private capital investments.
- The transaction will enhance Berkshire's presence in the specialty insurance and reinsurance segments at a time when market conditions remain attractive for growth.



Specialty Insurance – Market Overview

Carriers > Traditional Carriers > Specialty

Specialty Market Activity

- Demand for specialty insurance products has taken off over the past decade as consumers seek insurance solutions for increasingly complex assets and solutions. For example, cyber liability insurance has emerged as a subsector that is becoming mission-critical for businesses looking to tech-enable their core business models.
- Specialty lines continue to offer higher margins, especially for sectors such as inland marine insurance, which provides a diverse range of niche specialty products. The specialty space has also seen premiums continue to rise in 2022 as other insurance product premiums have tapered off.
- **The emergence of new and niche 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.**



Market Trends

Automation & Data Analytics	Similar to the overarching trend in the broad insurance industry, but data analytics is even more critical in specialty insurance given the unorthodox and constantly 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 quickly changing socio-economic conditions, accelerated by COVID-19, catalyze the emergence of new types of risks (such as cybersecurity and environmental), along with the need for insurance providers to be creative with their offerings.
Strategic Partnerships	In a highly competitive market, those who can form strategic partnerships to onboard new technology & analytics capabilities and adapt to client demand will emerge.
E&S Growth Surged	E&S has been growing at a rapid rate. The total U.S. P&C market, excluding E&S premiums, grew by 8.4% during H1:22, while the E&S direct premium written surged to \$38B during the same time, a 27.6% increase from the prior-year period.

Growth of Cyber Insurance and Need to Quickly Adapt

- The cost of cybercrime in the U.S. was ~\$7B in 2021, increasing more than 60% from 2020 levels.
- The incidence and cost of cybersecurity breaches increased in 2021, with average ransomware payments increasing to \$118,000 in 2021. A ransomware attack every 11 seconds.
- Cyber insurance direct written premium increase to ~\$5B in 2021. The demand for cyber coverage continues to climb due to higher network intrusions, data theft, and ransomware incidents.
- Munich Re expects cyber premiums to exceed \$9B in 2022 and grow over \$20B by 2025.
- 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 sought-after acquisition targets for insurance carriers seeking to specialize in particular fields to remain competitive in the market.
- As insurance premium increases have tapered off in 2022 following a half-decade of consistent increases, specialty insurance prices have continued to rise due to strong consumer demand.
- Increased frequency and magnitude of natural disasters have contributed to an increase in demand for related risk coverage, typically requiring deep specialization.
- Long-term digitalization trends have also led to strong demand for cyber insurance, with several specialty insurance firms choosing to focus on cyber insurance.

Key Financial Investors

Financial Groups

 **SYNOVA**

ALTARIS

Key Portfolio Companies

AllClear
TRAVEL INSURANCE

 **TREAN**
CORPORATION

Key Transactions

M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Purchase Price	Revenue Multiple	P / E	P / BV
8/8/22	 American Reliable Insurance Company	 ECM Insurance Group	\$40	NA	NA	NA
2/28/22	 ORCHID	 Brown & Brown Insurance	NA	NA	NA	NA
2/23/22	Catlin Specialty	 APPLIED UNDERWRITERS	NA	NA	NA	NA
11/8/21	 J.C. Taylor Insurance	 NSM Insurance Group	\$50	NA	NA	NA
8/27/21	 NBIS	 ALIGN Financial	NA	NA	NA	NA

Financing Transactions

(USD in millions)

Announce Date	Target	Key Investor(s)	Amount Raised
9/6/22	 Ategrity	 Sequentis Capital	\$75
7/22/22	 KINSALE CAPITAL GROUP	Undisclosed Investors	\$125
3/17/22	 Summit Specialty Products, Inc.	 FEDERATED INSURANCE	\$7.5

Specialty Insurance – Select Transaction Profiles

Carriers > Traditional Carriers > Specialty

American Reliable Insurance Acquired by Everett Cash Mutual Insurance

- In August 2022, American Reliable Insurance reached a definitive agreement to be acquired by Everett Cash Mutual Insurance Company for \$40M.
- American Reliable Insurance is a provider of specialty personal lines and agricultural insurance products. The company underwrites and distributes homeowner, watercraft, motorcycle, and specialty property through its general and independent agents.
- The transaction will shift Everett Cash Mutual from a regional carrier to a national provider with combined gross written premium approaching \$200M.



Catlin Specialty Insurance Company Acquired by Applied Underwriters

- In February 2022, Applied Underwriters announced the acquisition of Catlin Specialty Insurance for an undisclosed amount and the transaction closed in Q2 2022.
- Catlin Specialty Insurance operates as a property and casualty company. It provides reinsurance and other property and casualty insurance. It is headquartered in Stamford, CT.
- The transaction will enable Applied Underwriters to continue to grow its national platform for E&S business.

Catlin Specialty



Orchid Underwriters Agency Acquired by Brown & Brown

- In February 2022, Brown & Brown announced the acquisition of Orchid Underwriters Agency for an undisclosed amount and the transaction closed in April 2022.
- Orchid Underwriters Agency provides catastrophic coastal personal and commercial property insurance products. Its personal line products include personal property, homeowners, and earthquake insurances, stand-alone personal lines floaters, and excess flood coverage products.
- The transaction will enable Brown & Brown Insurance to broaden its strategic growth initiatives.



J.C. Taylor Insurance Acquired by NSM Insurance Group

- In November 2021, NSM Insurance Group announced the acquisition of J.C. Taylor Insurance for an undisclosed amount.
- J.C. Taylor provides classic cars, antique autos, modified and custom vehicles insurance.
- The transaction will complement NSM Insurance Group's investments in collector car insurance industry, including American Collectors, Heacock Classic, and Condon Skelly.



Digital Insurance Carriers – Market Overview

Carriers > Digital Carriers

Digital Insurance Market Activity

- With the maturing digital economy, customers (especially younger customers) expect digital upgrades to the insurance purchase, claims initiation & processing, and customer service experience.
- Larger, less flexible incumbents are at risk of losing market share to smaller, more agile digital entrants with significant technological advantages.
- A 2022 McKinsey analysis found that insurers with targeted IT investments achieved better growth and performance; for example, companies that invested more in IT saw 2.0% greater reduction in expense ratios and 1.7% higher returns on technical reserves compared to insurers with lower IT investments.

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 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 tasks.
No-code & Automation	Using no-code and automation tools allows digital carriers to outsource specific workflow, risk, and underwriting processes, while gaining accuracy.

Digital Insurance Market Statistics


- A 2021 survey of Insurance CIOs found that 87% of respondents noted an increase in the use of digital channels to reach customers, and this trend shifts customer expectations about a user-friendly interface, and greater demand for personalization benefits digital carriers.
- Tech solutions allow prominent players to offer insurance to customers in times of need:
 - Apple care acts as a 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 must 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







- Wefox's \$400M funding round in July 2022, coupled with a few other \$100M+ rounds in recent months suggest that investor appetite is recovering, after a slowed-down financing activity following the numerous later-stage companies' large rounds in 2020 and 2021.
- Digital carriers have been gaining popularity as consumers are now more comfortable buying policies online. New technologies are also enabling digital insurers to offer their products to large numbers of agents and work with them at their convenience.
- ManyPets acquired a US-based carrier, Digital Edge Insurance from Munich Re in October 2022 for an undisclosed amount, while Coalition announced its acquisition of Digital Affect Insurance in August 2022 to offer insurance policies through its own carrier.

Key Financial Investors

Financial Groups	  			
	   			
Illustrative Portfolio Companies	  			

Recent Financing Transactions

(USD in millions)

Announce Date	Target	Key Investor(s)	Amount Raised
7/12/22		  	\$400
7/7/22			\$116
3/21/22			\$7
3/17/22			\$7
6/8/22		 	\$147
10/28/21			\$255
10/4/21		 	\$100
6/1/21			\$350

Digital Insurance Carriers – Select Transaction Profiles

Carriers > Digital Carriers

Wefox Raised a \$400 Million Series D Round

- In July 2022, the company raised \$400mm of Series D venture funding led Mubadala Investment, with a post-valuation of \$4.5B.
- Wefox provides insurance consulting services through InsurTech, a platform that provides insurance sector with digital capabilities. The company enables customers, insurance brokers, and insurance providers to transact and manage insurance products digitally.
- Eurazeo, LGT, Horizons Ventures, OMERS Ventures, and Target Global also participated in the round.
- The new funds will be used for product development and expansion across Europe and thereafter Asia and the U.S.



Afficiency Raised a \$7 Million Series A Round

- In March 2022, the company raised \$7mm of venture funding led by IA Capital Group, with a post-valuation of \$36.0M.
- Investors in the round include Impression Ventures, The Savings Bank Mutual Life Insurance Company of Massachusetts, and Western & Southern Financial Group .
- Afficiency provides life insurance products designed to automate and quicken the insurance procedure.
- The funds will be used to fuel its strategy to modernize it's strategy to modernize the life insurance market.



YuLife Raised a \$116 Million Series C Round

- In July 2022, the company raised \$116.1mm of Series C venture funding led by Dai-ichi Life Insurance, with a post-valuation of \$947.2M.
- YuLife is a developer of an insurance and well-being platform designed to provide insurance plans that inspire life and reward living. The company's offers life and medical insurance plans while encouraging users to complete health activities by rewarding them with air miles, vouchers, and gift cards.
- The funds will be used to enter new international markets and scale their product range, delivering financial products that improve lives and reward wellbeing.



SynchronoSure Raised a \$7 Million Series B Round

- In March 2022, the company raised \$7mm of venture funding from RedBird Capital Partners, with an estimated post-valuation of \$13.3M.
- SynchronoSure is a digital underwriting platform designed to provide insurance services to emerging industries and small businesses. The company's platform uses artificial intelligence from devices and pulls the required underwriting information regarding a particular account for the world wide web, enabling clients to streamline the entire insurance process.
- The funds will be used to hire additional staff to support its growth.



Insurance Distribution (Traditional) – Market Overview

Distribution > Traditional Underwriting Distribution

Traditional Insurance Distribution Market Activity

- Insurance distribution has been a major value driver within the broader insurance industry: over 2022, shareholder returns of publicly traded pure-play distribution companies were ~2.5x the returns of traditional insurers
- Distribution channels (especially tech-enabled) are increasing capturing a higher share of the insurance value chain as the industry shifts from captive carrier-tied distribution to more independent distribution models; in the United States, independent distribution now accounts for 55% of all premiums across life insurers and annuities
- In Q3:22, **companies in the space saw mixed topline revenue compared to Q2:22. A few examples below:**



Market Trends

Full Cloud Adoption	In addition to insurance products, other related products and services associated with brokerages have increased offering online.
Product Customization & Personalization	Younger insurance buyers expect more personalized and flexible insurance products. Traditional distributors must build out data systems to address their clients' coverage needs more accurately.
Increased Focus on Compliance	The regulatory landscape for brokers has become more dynamic, constantly changing in recent years.
Cybersecurity as Top Priority	With the remote work culture, traditional distributors must invest in security systems and experts to secure client data and in 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 clients remotely.

Growing Pressure to Rapidly Digitize Operations

- Deloitte's 2022 global outlook survey indicated that buyer expectations for accelerating digital distribution channels are very high, but the human touch remains important.
- Moving forward, a hybrid model with strategic digital and human intervention can provide a superior customer experience, and traditional distributors benefit if they can tech-enable their agents (with appropriate CRM platforms and additional technology to engage customers effectively) and digitize certain aspects of their operations on the front and back end.
- The growing crop of InsurTechs focused on insurance distribution puts additional competitive pressure on traditional distributors to improve their digital distribution channels.

Insurance Distribution (Traditional) – Capital Markets Activity

Distribution > Traditional Underwriting Distribution

Capital Markets overview

- The insurance distribution sector has attracted significant investor attention in recent years, driving M&A activity to record highs in 2021 before normalizing in 2022.
- Insurance distributors are sought-after investment targets as they produced predictable and consistent revenue streams, as well as high margins, even in the current inflationary environment. Insurance distributors have proven to be sustainable through the Great Financial Crisis and the recent pandemic.
- Distributors sell or take on capital partners to scale their operations and access to technology to compete effectively. Valuations have been high due to strong private equity demand and robust counter-cyclical business models.
- Larger distribution companies (typically private-equity backed) have engaged in roll-up strategies to expand into new end markets and products, as well as leverage EBITDA arbitrage through lower add-on purchase multiples compared to the platform as a whole.

Key Financial Investors

Key Portfolio Companies	 
	   

Key M&A transactions

(USD, in millions)

Announce Date	Target	Buyer	EV	EV / Revenue	EV / EBITDA
11/30/22	 Wholesale Business		NA	NA	NA
11/29/22			NA	NA	NA
11/17/22			NA	NA	NA
11/14/22			NA	NA	NA
9/29/22			\$193	4.8x	~16.0x
8/29/22			NA	NA	NA
6/9/22			\$1,600	NA	NA

Insurance Distribution (Traditional) – Select Transaction Profiles

Distribution > Traditional Underwriting Distribution

Arena Special Risks Acquired by AmWINS Group

- In November 2022, Arena Special Risks was acquired by AmWINS Group for an undisclosed amount.
- Arena Special Risks operates an insurance service company intended to serve industrial asset classes, underwriters and agents. The company works on property and casualty risk analysis, policy form comparison, benchmarking, risk transfer and administration, guiding underwriting expertise and reaping higher returns for financial professionals.
- The transaction will further solidify AmWINS' brokerage capabilities in commercial real estate.



Hunt Insurance Group Acquired by King Insurance

- In November 2022, Hunt Insurance Group was acquired by King Insurance for an undisclosed amount.
- Hunt Insurance Group operates an insurance marketing and service organization focused on the development and administration of alternative insurance programs for governmental and special risk clients.
- The transaction will create new and dynamic opportunities for King Insurance through Hunt's self-insurance expertise



Alpine Insurance Acquired by AssuredPartners

- In November 2022, Alpine Insurance was acquired by AssuredPartners for an undisclosed amount.
- Alpine Insurance is a provider of insurance and risk management services intended for the financial security of individuals and businesses. The company specializes in offering multiple services including commercial insurance, workers' compensation insurance, personal lines insurance and employee benefits.
- The transaction will expand AssuredPartners' geographic footprint in Nevada



Reliance Partners Acquired by Carousel Capital

- In August 2022, Reliance Partners was acquired by Carousel Capital for an undisclosed amount.
- The Reliance Partners is an operator of a commercial insurance agency intended to serve truck fleets and freight brokerage customers across the United States. The company specializes in trucking, commercial and freight broker insurance, risk management and usage-based services.
- The transaction will help Reliance Partners achieve its goal of reaching \$1+ billion in premiums in the next 3 years in transportation risk management market.



Insurance Distribution (Digital) – Market Overview

Distribution > Traditional Underwriting Distribution




Digital Insurance Market activity

- In the current hardening insurance market with rising loss rates, digital MGAs are increasingly attractive for insurers to decrease costs and increase profitability.
- Digital MGAs are generally nimbler vs. traditional counterpart, allowing for innovations through digital transformation or new products (such as cannabis coverage); digital MGAs often target specific end customers (such as small businesses, pet owners, etc.) and provide more attractive and better-priced premiums through technology-enabled underwriting
- The digital MGA M&A market has become increasingly active in 2022; while the number of MGA acquisitions paled in comparison to retail brokerages and other distribution channels, valuations have grown and investor interest in the space is high. Four distinct partnership / acquisition patterns have emerged:
 - Numerous digital MGAs have transitioned into digital carriers, notably Root Insurance, Metromile, and Clearcover – this trend is driven by digital MGAs with superior underwriting capabilities wanting to reduce their reliance on external, traditional carriers and capture a higher percent of the value chain.
 - Insurance carriers have increasingly acquired high-performing MGAs that operate in desirable markets and exhibit significant value-add through their underwriting capabilities.
 - Retail and wholesale brokers, looking to expand the volume of business and improve margins by taking on incremental risk have looked to acquire MGAs.
 - MGA aggregators, often backed by private equity investors have conducted “roll-ups” in order to diversity risk across multiple business lines and grow the business through acquisitions

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 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 attracted 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

 <p>Direct Distribution: Insurance Sold Directly to Businesses (Offering Online Rate-Quote-Bind Services)</p>	 <p>Tech-Enabled MGAs: Leverages Tech to Power Underwriting; Insurance Sold Directly to Businesses or Brokers</p>	 <p>Digital Brokerages: Uses Tech to Streamline Client Workflows; Insurance Sold Through Brokers</p>
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Insurance Distribution (Digital) – Capital Markets & Transaction Activity

Distribution > Traditional Underwriting Distribution

Capital Markets Overview

- The MGA InsurTech firms are in the infancy stage of development, carriers have been acquiring and partnering with these MGA firms to tap into their underwriting expertise in specific industries, with 21 of the top 25 P&C insurers working with MGAs.
- Conversely, MGAs with strong underwriting capabilities have been acquiring local agencies to expand downstream to local geographical markets and capture higher margins.
- The hardening insurance market will incentivize partnerships between MGAs and carriers.
- Many tech MGAs have been raising funds to expand digital capabilities, while the rest have partnered with other InsurTech firms.
- Wholesalers have been pursuing a digital strategy by acquiring or merging with smaller InsurTech firms.







Key Financial Investors

Financial Groups			
Key Portfolio Companies			
			

Key Transactions








M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Purchase Price	Revenue Multiple	EBITDA Multiple
11/22/22			NA	NA	NA
9/1/22			NA	NA	NA
3/1/22			NA	NA	NA
2/23/22			NA	NA	NA
2/17/22			NA	NA	NA

Financing Transactions

(USD in millions)

Announce Date	Target	Key Investor(s)	Amount Raised
1/24/22		Undisclosed	\$8
12/1/21			\$5
5/10/21			\$64
4/12/21			\$150

Insurance Distribution (Digital) – Select Transaction Profiles

Distribution > Traditional Underwriting Distribution

instaCOVER Acquired by One80 Intermediaries

- On November 22, 2022, instaCOVER was acquired by One80 Intermediaries for an undisclosed amount.
- InstaCOVER is a developer of a web-based insurance platform designed to simplify the process associated with obtaining an insurance quote and binding a policy.
- The transaction will expand One80 Intermediaries into the leasing industry and further support instaCOVER at the intersection of technology and commercial insurance.



Care Value Acquired by Senior Market Sales

- On September 1, 2022, Care Value was acquired by Senior Market Sales for an undisclosed amount.
- Care Value is a provider of insurance marketing services. The company offers a range of products including Medicare products, life insurance, and health insurance.
- The transaction will give SMS-contracted agents a major advantage in today's marketplace combining Care Value's technology stack with SMS' proprietary technology.



Insureon Acquired by Hub International

- On March 1, 2022, Insureon was acquired by Hub International for an undisclosed amount.
- Insureon is an operator of an ecommerce marketplace intended for the online delivery of commercial insurance for small and medium-sized businesses. The company allows those businesses to compare insurance quotes from top-rated companies, buy policies and manage their coverage online and the company also licenses its proprietary technology to other distributors of commercial insurance to small businesses.
- The transaction will substantially increase the scale and depth of Hub's digital capabilities.



Trōv Acquired by Travelers Companies

- On February 2, 2022, Trōv was acquired by Travelers Companies for an undisclosed amount.
- Trōv is an operator of an insurance technology company intended to help deliver digital insurance products and provide data-powered insurance solutions. The company's technology platform provides solutions across the insurance value chain including quote/bind, policy management, billing, claims management and analytics.
- The acquisition will accelerate Travelers' ongoing efforts to provide customers with personalized solutions in their channel of choice.



Specialized Software – Market Overview

Software Solutions > Specialized Software

Specialized Software Market Activity

- Workplace digitization in all industries rapidly accelerated during the COVID-19 pandemic as corporations and management teams adapted to changing labor conditions and customer preferences.
- Both external (customer facing) and internal (internal operations & processes) digitization has become a priority as insurers vie for market share and tech enabled operational efficiency.
- The emergence of digital acquisition channels has provided opportunities to automate several other aspects of the customer experience.
 - Intelligent automation solutions are useful for automatic real-time report generation and intelligent chatbots to extract policy change requests, creating opportunities for end-to-end automation and optimization of processes from intake through to claims.
- Customers are increasingly demanding operational simplicity and convenience. Insurance software providers make it easier by packaging core features into a single software suite that is highly integrated to create a one-stop solution.
 - Software suites are also becoming highly modular, where customers only purchase desirable features.

Market Trends

Workflow Automation	Automating processes for advertising, purchasing, and regulating insurance services will make insurance solutions more personalized for consumers.
Customer Analytics	By collecting 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 must 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



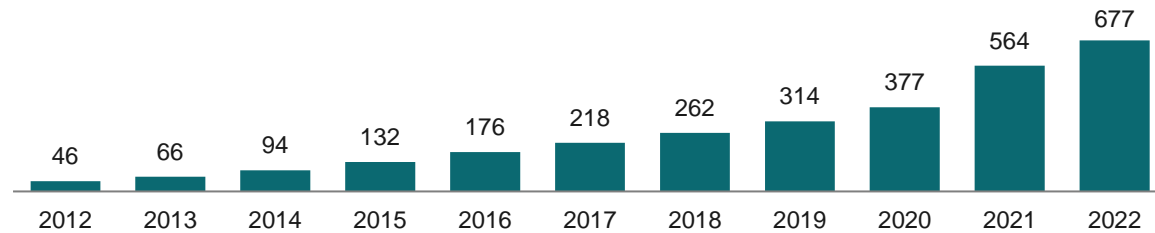
Specialized Software – Capital Markets & Transaction Activity

Software Solutions > Specialized Software

Capital Markets Overview

- Total global InsurTech investment in 2022 totaled \$8.0B, down 50% from 2021's \$15.8B figure. However, transaction count rose from 564 in 2021 to 677 in 2022.
- Average deal size fell 42%, from \$28M in 2021 to \$12M in 2022, with mega-round funding (funding rounds that raise \$100M or more) dropping by 67%.

Transaction Count



Key Financial Investors

Financial Groups	GI PARTNERS	Hellman & Friedman	VISTA
	insurity	APPLIED	Duck Creek Technologies

Key M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Purchase Price	Revenue	EBITDA	EV / Revenue	EV / EBITDA
10/14/22	Duck Creek Technologies	VISTA	\$2,600	\$310	\$6	8.4x	NMF
10/14/22	MIS	ReSourcePro	NA	NA	NA	NA	NA
10/4/22	BLACKCOMB	accenture	NA	NA	NA	NA	NA
8/12/22	TARMIKA	APPLIED	NA	NA	NA	NA	NA
7/18/22	metromile	Lemonade	\$138	\$132	(\$93)	1.0x	NMF
7/12/22	Formfire	agencybloc	NA	NA	NA	NA	NA
7/11/22	AGENCY SOFTWARE	HARRIS	NA	NA	NA	NA	NA
6/28/22	MGA Systems	Vertafore	NA	NA	NA	NA	NA
6/9/22	strategic insurance software Agency Management Systems	ZYWAVE	NA	NA	NA	NA	NA

Specialized Software – Select Transaction Profiles

Software Solutions > Specialized Software

Duck Creek Technologies Acquired by Vista Equity Partners

- On January 9, 2023, Vista Equity Partners announced its acquisition of Duck Creek Technology for \$2.6B with an EV / Revenue multiple of 8.4x.
- Duck Creek is a leading SaaS provider of core cloud systems for the P&C insurance industry. The product portfolio includes distribution management, reinsurance management, digital management, data insights, and other services.
- The acquisition will complement Vista existing investments in enterprise software, including Citrix and Avalara. Vista also has history in the insurance software space, having acquired Applied Systems, Eagleview, and Vertafore.



Tarmika Acquired by Applied Systems

- On August 12, 2022, Tarmika was acquired by Applied Systems for an undisclosed amount.
- Tarmika is a developer of a single entry comparative rating platform intended for independent insurance agencies. The company's commercial insurance platform offers an automation tool that allows agencies the ability to quote multiple carriers in a single entry for commercial lines.
- The acquisition will expand Applied Systems' commercial quoting to create a digital distribution experience at each stage of the insurance lifecycle, benefitting carriers, agencies, and the insured.



Blackcomb Consultants Acquired by Accenture

- On October 4, 2022, Blackcomb Consultants was acquired by Accenture for an undisclosed amount.
- Blackcomb Consultants is a provider of digital, business transformation and consulting services intended to serve P&C insurance carriers.
- This acquisition will strengthen Accenture's ability to help insurance carriers use technologies like artificial intelligence and analytics to improve productivity and provide hyper personalized offerings to its customers.



FormFire Acquired by AgencyBloc

- On July 5, 2022, FormFire was acquired by AgencyBloc for an undisclosed amount.
- FormFire is a provider of financial software intended for insurance companies. The company's platform provides health insurance quoting, sold case installation, medical history and group renewal, enabling them to collect all relevant employee information as well as a complete medical history.
- The acquisition will aim to solidify the AgencyBloc's market leadership position and will enhance its offering for benefits agencies of all sizes.



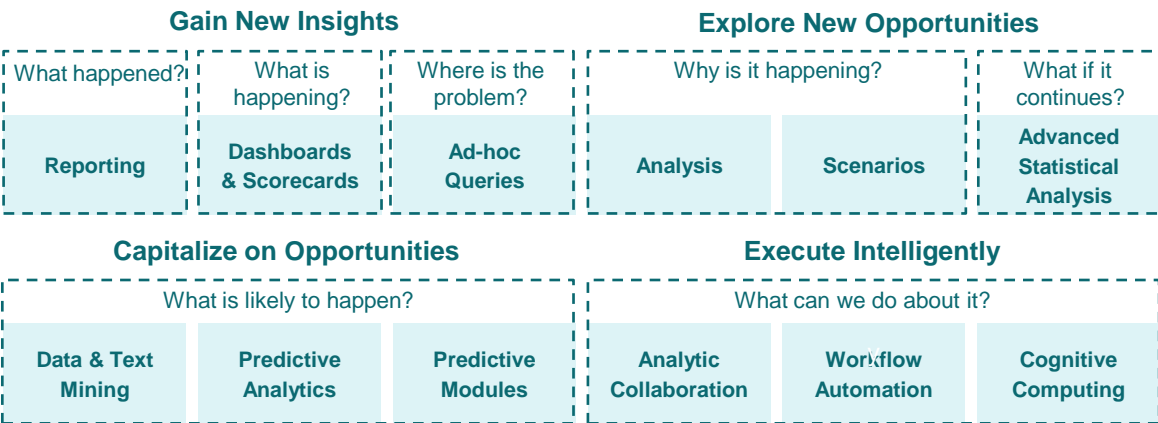
Data Analytics – Market Overview

Software Solutions > Data Analytics

Data Analytics Market Activity

- Larger insurance firms have been seeking to acquire analytics companies that can augment existing products and business processes, as well as expand their capabilities into new directions and end markets.
- For smaller insurance firms, many have advanced further into the advanced analytics space. Still, they are likely to favor partnerships, joint ventures, or alliances as they tend to lack resources compared to larger competitors.
- The pandemic caused dramatic shifts in the economy and social behavior. Furthermore, elevated digital usage habits that appeared during the pandemic will likely carry into the future, offering insurers significantly more data that can be used to optimize business decisions and price premiums.

Business Intelligence & Analytics Spectrum for Insurers



Market Happenings

- **The increased usage of AI** will have a significant 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 understand their customers better 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.

Essential Use Cases of Data and Corresponding Data Types

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

Data Analytics – Capital Markets & Transaction Activity

Software Solutions > Data Analytics

Capital Markets overview

- Prominent players in the insurance industry have acquired analytics firms that can offer strategic advantages against peers and enhance core competencies and product offerings.
 - ReSourcePro's acquisition of towerIQ will enable the company to manage insured data better to understand complex risks.
- Larger, established firms tend to have the financial capabilities to acquire insurance analytics providers; there are typically stronger synergies from these transactions.
- Acquisition targets benefit from acquirors' established commercial relationships and wide distribution channels.

Key Strategic Investors

Key Strategic Groups		
Key Portfolio Companies	  	 

Key Transactions







M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Purchase Price	Revenue Multiple	P / E	P / BV
10/5/22			NA	NA	NA	NA
6/24/22			NA	NA	NA	NA
3/8/22			NA	NA	NA	NA
1/18/22			\$120	NA	NA	NA
11/2/21			NA	NA	NA	NA

Financing Transactions

(USD in millions)

Announce Date	Target	Key Investor(s)	Amount Raised
12/22/22		Undisclosed Investors	\$7
11/29/22		 Horizon Technology Finance A LIFE SCIENCES & TECHNOLOGY VENTURE LENDING PARTNER	NA
8/25/22		 Pathbreaker Ventures  Preface Ventures	\$6

Data Analytics – Select Transaction Profiles

Software Solutions > Data Analytics

Pentland Analytics Acquired by Aon

- On October 5, 2022, Aon acquired the reputational risk data and analytics capabilities of Pentland Analytics for an undisclosed amount.
- Pentland Analytics is based in the United Kingdom. Assets involved in the transaction include a reputation crisis database, proprietary modeling algorithms, and a cloud-based web app for clients. The database contains data on 340 corporate events spanning the last 40 years across the globe and all major industries.
- This acquisition will build on Aon's previous work to bring its clients insights and tools to better understand and prepare for the impact of reputational crises on shareholder value.



BSG Analytics Acquired by Alliant

- On March 8, 2022, BSG Analytics was acquired by Alliant Bolsters Healthcare Data and Analytics Capabilities for an undisclosed amount.
- BSG Analytics is a provider of data analytics and consulting services. The company's data analytics and consulting services include benefits consulting, healthcare data analytics, wellness consulting, communications, compliance and administrative services.
- The acquisition will provide BSG Analytics a powerful platform to reach an even broader base of clients and provide high-impact data solutions.



TowerIQ Acquired by ReSource Pro

- On June 24, 2022, TowerIQ was acquired by ReSource Pro for an undisclosed amount.
- TowerIQ is a developer of a broker-first platform intended to bring transparency to insurance markets. The company's platform provides robust communication, data insights and exposure gathering for the commercial insurance industry with a simplified interface and centralized data-collection system.
- The acquisition will enable ReSource Pro to offer clients a platform to optimize their data and improve productivity, especially across middle to large market, complex and specialty commercial accounts.



Verikai Acquired by American Financial Group

- On January 18, 2022, Verikai was acquired by American Financial Group for \$120M.
- Verikai develops a predictive data and risk tool for health insurance underwriters and brokers. It offers a platform that allows consumers and small businesses with access to a range of insurance products.
- This transaction will help American Financial enter in medical stop loss business, with a primary focus on small and underserved risks using Verikai's predictive risk tool and unique Marketplace solution.



Diversified Software – Market Overview

Software Solutions > Diversified Software

Diversified Software Market Activity

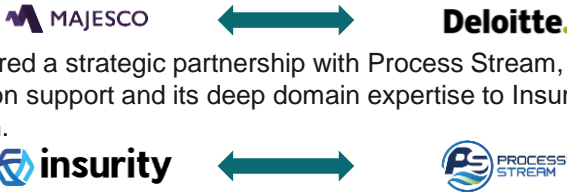
- As core business functions within insurance become digitized and more complex (e.g., personalized and data driven insurance policies), insurers are increasingly looking for ways to digitally augment topline activities through tech enablement of both core operations(underwriting) and tertiary departments.
- Relatively small investments into IT, back office, finance, HR, and risk management software can yield outsized long term operational efficiencies.
- Insurers have the option to either partner with diversified software companies or acquire them and their IP.
- Software companies also often engage in tuck in M&A to enhance existing capabilities and diversify into new products and end markets.

Market Trends

Digital Integrations	Digital transformation increasingly requires experts to navigate the challenges of integrating into existing systems.IT consulting services are becoming essential offerings by software firms.
RegTech Focus	Data management and financial services regulations are becoming increasingly complex, requiring solutions to track regulatory changes and manage compliance processes.
Digital Engagements	As more people (especially Millenials) engage in digital transactions, there is more demand to improve the experience and analyze the interactions to enhance product offerings for consumers.
Feature Interoperability	Systems are becoming more sophisticated, so a diversified solutions provider can offer an all-in-one integrated package to address various needs.

Market Happenings

- Partnerships are taking place to allow for growth and adoption**, for example:
 - Majesco and Deloitte are partnering to help the L&A, Group, and Voluntary Benefits industry address the significant need to improve, operationally and innovatively, creating immediate business results and long-term value with a deep focus on the customer.
- Insurity has entered a strategic partnership with Process Stream, which will provide system integration support and its deep domain expertise to Insurity’s ClaimsXPRESS software solution.



Diversified Offerings for the Insurance Industry

Core Insurance Suite (Policy Administration System, Claims Management, Billing Solution)		Digital Engagement Systems	Content / Contract Management Systems
Quoting / Rating / Binding Solutions	Risk Management / Analytics	IT Consulting Services	Compliance Systems / Legal Solutions
Underwriting Solutions	API-powered App / Content Exchange	Distribution Management Systems	Insurance Knowledge Library

Diversified Software – Capital Markets & Transaction Activity

Software Solutions > Diversified Software

Capital Markets overview
















- Despite market volatility and elevated interest rates, PE firms still have substantial dry powder and are looking to build sustainable investment platforms in the insurance industry. A wide range of add on companies are compatible with diversified software companies.
- Vista Equity Partners hit the ground running 2023, with an early announcement of a \$2.6B take-private transaction of Duck Creek.
- Interest from strategic groups has also increased, highlighted by Duck Creek's acquisition of Prima XL in 2022.

Key Financial / Strategic Investors

Strategic Investors / Financial Groups	Hellman & Friedman		SAPIENS	
	sprinklr		SUM.CUMO	
Key Portfolio Companies	APPLIED		tia	

Key M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Value (\$MM)	Multiple Revenue	Multiple Earnings
1/26/23	 prima solutions	 total specific solutions	NA	NA	NA
1/9/23	 Duck Creek Technologies	 VISTA	\$2,600	8.4x	NMF
10/7/22	 ROOT SIGNA	 NEXT LEVEL SOLUTIONS	NA	NA	NA
9/14/22	 intellagents™	 FATBRAIN	NA	NA	NA
6/28/22	 Prima XL	 Duck Creek	\$115	NA	NA
6/28/22	 MGA Systems™	 Vertafore	\$180	NA	NA
5/6/22	 axiom	 Cogitate	NA	NA	NA
4/7/22	 blau direkt	 WARBURG PINCUS	NA	NA	NA

Diversified Software – Select Transaction Profiles

Software Solutions > Diversified Software

Prima Solutions Acquired by Total Specific Solutions

- On January 26, 2023, Prima Solutions was acquired by Total Specific Solutions for an undisclosed amount.
- Root Signa is the developer of a software platform designed to help insurance and reinsurance professionals speed up digital transformation. The company's software suite provides an insurance application that transforms existing legacy systems and streamlines the core business processes to improve business results and enterprise agility.
- This acquisition will allow Total Specific Solutions to establish itself within the French insurance market and strengthen its presence in the United States.



Root Signa Acquired by Next Level Solutions

- On October 7, 2022, Root Signa was acquired by Next Level Solutions for an undisclosed amount.
- Root Signa is a developer of software platform intended to provide support and implementations solutions for insurance tech users. The company is a system integrator partner and works directly with insurance carriers to consult, implement and support the software side of the insurance industry.
- The acquisition will diversify Next Level Solution's offerings and continue to provide solutions for customers in new implementations, services, and support.



Intelligents Acquired by Fatbrain

- On September 14, 2022, Intelligents was acquired by Fatbrain for an undisclosed amount.
- Intelligents is a developer of the insurance application programming interface ecosystem designed to connect insurer's systems with the insurtech solutions. The company offers a no-code, hybrid cloud, independent insurance integration platform.
- The acquisition will leverage Peer Intelligence technologies to optimize transactions, score risk, enhance productivity, and simplify actionable insights.



Prima XL Acquired by Duck Creek Technologies

- On June 28, 2022, Prima XL was acquired by Duck Creek Technologies for \$115.8M.
- Prima XL is a developer of a cloud-based reinsurance software intended for international organizations using multiple currencies and multiple GAAP requirements. The company's platform collects, centralizes and analyzes data for insurers, reinsurers, and brokers.
- The acquisition will further enhance Duck Creek's value to current and future customers by simplifying reinsurance management and expand Duck Creek's global footprint across EMEA and APAC.



Insurance Billing & Premiums – Market Overview

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

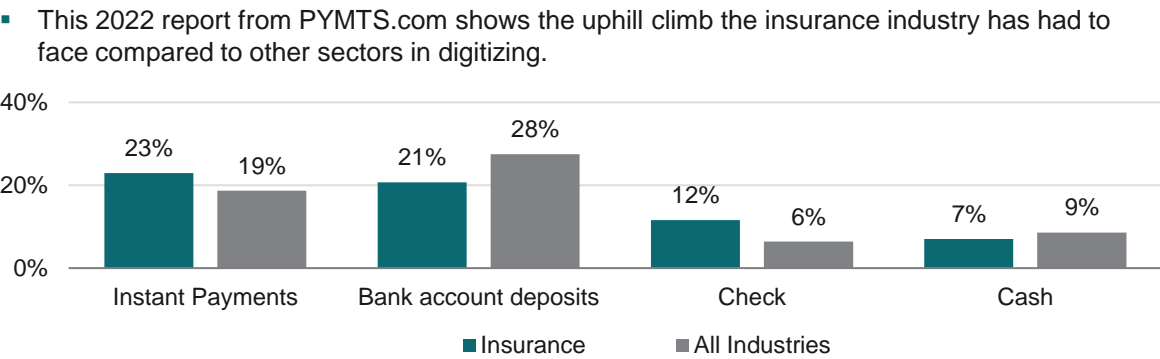
Insurance Billing & Premiums Market Activity

- 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 payment experience.
- This will make providing customized and flexible billing for clients easier, with additional services packaged under a single invoice embedded within the core software.
- By pushing for the integration of payment solutions into external products, companies will become more recognizable to insurance professionals and 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 post the pandemic. Insurance companies are transitioning 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 competitive pricing. Some have emphasized their security features in protecting sensitive customer payment data. However, as digital payment apps and wallets like Apple Pay, Venmo, and even Bitcoin become more mainstream, insurers that support a wide array of payment options – both for paying premiums and paying out claims – will likely benefit.

Share of Disbursements Received, by Payment Type



Customizing Payments for the Millennial Generation

- Millennials have become the most populous generation and the largest insurer customer segment. They also have high expectations for the billing and payments process.
- To improve the insurance billing process, firms must consider factors like speed, convenience, and whether it fits into a mobile-first lifestyle.
- In line with this, **State Farm announced on May 11th that it 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

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, driving some to pursue M&A transactions to strengthen their payment systems.
- Firms that provide 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 consolidate 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 the customer experience will be in higher demand.

Key Financial Investors

Financial Groups

THE CARLYLE GROUP

GI PARTNERS

Key Portfolio Companies



sedgwick.



Key Transactions

M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Value (\$MM)	Multiple Revenue	Multiple Earnings
1/9/23	Duck Creek Technologies	VISTA	\$2,611	8.4x	NA
5/6/22	AXIOM	Cogitate	NA	NA	NA
4/12/22	ACORDPAY	InsurePay™	NA	NA	NA
5/5/21	clearpay	ACORDPAY	NA	NA	NA

Financing Transactions

(USD in millions)

Announce Date	Target	Key Investor(s)	Amount Raised
11/15/22	Marble	Blue Collective	\$4.2
1/11/22	InsurePay™	FIN TOP CAPITAL	\$5

Insurance Billing & Premiums – Select Transaction Profiles

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

Marble Raised Seed Round

- In November 2022, Marble raised \$4.2M through a combination of Seed-2 and Seed-3 funding from Blue Collective.
- Marble is a developer of insurance management platform designed to earn rewards on home and auto insurance. The company offers an insurance comparison platform where users can organize all their policies in one singular digital wallet and compare rates and find the right policy for them, and it also offers a rewards-based membership program to get rewarded while using the app.
- The fund will be used for building partnership and expanding geographic footprint.



Blue Collective

InsurePay Raised Series B & Acquired AcordPay

- In January 2022, InsurePay raised an undisclosed amount of series B funding led by Aquiline Technology Growth.
- The funds will help the company to acquire Split Limit Studios and its TRUPAY solution.
- In April 2022, InsurePay raised additional series B funding to acquired AcordPay for an undisclosed amount.
- AcordPay owns and operates a platform for insurance payments.
- The transaction will broaden InsurePay' offerings and will enable the company to offer an entire suite of insurance payment solutions for collecting premiums, settling with markets, and managing claims and refunds.



InsurePay™

Axiom Acquired by Cogitate

- In May 2022, Cogitate announced its acquisition of Axiom for an undisclosed amount.
- Axiom is a Claims & Billing software provider for Property and Casualty Insurance.
- The acquisition will enhance Cogitate's flagship DigitalEdge Insurance Underwriting and Distribution Platform with Billing and Claims solutions to provide full stack, cloud native software.



Cogitate

Clearpay Merges with Acordpay

- In May 2021, both firms entered 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 accelerate 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.



Actuarial & Telematics – Market Overview

Tech-Enabled Services > Specialty Service Providers





Actuarial & Telematics Market Overview

- In the current uncertain inflationary environment, there is a higher demand for tech-enabled actuarial services since most current actuaries have not experienced a high inflation environment and hence need to be nimble to adapt their models.
- Given the increasing complexity of data solutions, actuarial and telematics solutions are mission-critical to make sense of data.
- As the pandemic has caused major economic and consumer behavior changes, firms are increasingly searching for advanced analytics solutions to help tackle major problems.
- To compete effectively and cater to consumer demands, auto insurers have started to implement use-based insurance, which requires telematics integration.
 - In a study by Cambridge Mobile Telematics, they found that readiness to switch to connected insurance was most significant in the 25-39 years 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 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 essential 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 expect to not just model, analyze, and estimate pricing but also to provide business insights and value drivers to aid strategic decision-making, and their demand has risen sharply given the current uncertain inflationary environment.

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
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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 shore up their advanced analytics capabilities rapidly.
- The IPO of Root Insurance has cast a spotlight on telematics as the technology continues to progress rapidly. Another IPO, Samsara has established a strong market position in fleet management and has potential to become a diversified IoT platform vendor.
- 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 in-house 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

Key Transactions

M&A Transactions

(USD in millions)

Announce Date	Target	Acquiror	Value (\$MM)	Multiple Revenue	Multiple Earnings
1/4/23	 transverse INSURANCE GROUP	 Mitsui Sumitomo Insurance MS&AD INSURANCE GROUP	\$400	NA	NA
3/1/22	 Tyche FINANCIAL MODELLING	 AON	NA	NA	NA
2/28/22	 The Floop	 otonomo	\$69	NA	NA
12/1/21	 CORETEX	 EROAD	\$132	NA	NA
11/8/21	 metromile	 Lemonade	\$517	6.0x	NMF
7/22/21	 Driveway	 earnix	\$12	12.0x	NA
7/17/21	 TrueMotion	 CAMBRIDGE MOBILE TELEMATICS	\$295	19.7x	NA
6/2/21	 edriving®	 SOLERA	NA	NA	NA
4/1/21	 RICEWARNER	 Deloitte.	NA	NA	NA
3/10/21	 RPC	 QOMPLX:	NA	NA	NA

Actuarial & Telematics – Select Transaction Profiles

Tech-Enabled Services > Specialty Service Providers

MS Transverse Insurance Group Acquired by Mitsui Sumitomo

- On January 4, 2023, MS Transverse Insurance Group was acquired by Mitsui Sumitomo Insurance Company for \$400M.
- MS Transverse Insurance Group is a provider of risk management and program underwriting services intended to retain risk and provide underwriting, compliance, actuarial and claims assistance. The company's services provide innovative solutions to meet the needs and bridge that gap and maximize opportunities.
- The acquisition will extend MS Transverse's reach and expands Mitsui Sumitomo's access to North American markets.



The Floow Acquired by Otonomo

- On February 28, 2022, The Floow was acquired by Otonomo for \$69M.
- The Floow is a developer of telematics data systems designed to gather data from phones and in-vehicle black boxes to make insurance premiums more accurate through the ability to better predict risk profiles and reduce the likelihood of a driver ever having an accident.
- With this acquisition, Otonomo will offer data products, tools and resources to help insurers integrate risk transfer with exquisite digital services in the connected new world ahead.



RPC Tyche Acquired by Aon

- On March 1, 2022, RPC Tyche was acquired by Aon for an undisclosed amount.
- RPC Tyche is a provider of technology software and consultancy services focused on the insurance sector. The company's software platform offers actuarial and financial modeling, pricing management, cashflow modeling, reporting and risk management and also provides a full breadth of actuarial services and valuation services.
- The acquisition will enable Aon to offer re/insurers a single technology platform with the ability to seamlessly integrate capital modelling, pricing and reserving to drive better decision-making across both life and non-life business.



Coretex Acquired by EROAD

- On December 1, 2021, Cortex was acquired by EROAD for \$132M.
- Coretex is a developer of freight and logistics management software designed to provide fleet managers a tool to collect information about their vehicles, drivers and journeys. The company's trucking telematics and logistics compliance software controls and manages all aspects of the fleet operation from asset tracking to fatigue management and maintenance.
- The acquisition will advance EROAD's position as a global vehicle telematics leader onto a faster trajectory to reach its goal of 250,000 global units, and specifically enable accelerated growth in North America



Insurance Claims – Market Overview

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

Insurance Claims Market Overview

- The ongoing Russia-Ukraine war, post-pandemic supply chain bottlenecks, increased costs due to the inflationary environment, and frequency of business interruption losses are some of the new challenges faced by the insurance claims industry.
- Over the last five years, the insurance claims from the companies have become more severe due to higher property and asset values, increasingly complex supply chains, and the growing concentration of exposures in one location. The claims were valued at ~\$90.4B, implying the insurance companies have paid out an average of \$49mm every day for five years to cover losses.
- ESG-related claims are additionally increasing as governments and citizens exert pressure on businesses to change their ways for the greater good. ESG-related claims for financial lines and D&O are likely to become a more significant source of liability exposure in the future.
- **Some firms that are helping to fill the gap:**



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



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



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

Market Trends

Outsourced solutions	As the cost of claims increases due to inflation and a tight labor market, carriers have increasingly turned to outsourced solutions to process and adjust claims
Full claims automation	Integration of real-time data and analytics into the FNOL process is a steppingstone towards fully-automating claims processes.
Cybersecurity measures	Adopting 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 quick delivery of goods and services, but settling a total loss typically takes several weeks. By streamlining the process, customer experience 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 touchless claims.
- The use of self-service claims options is expected to increase 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 in the market, service providers have sought ways to enhance their operations.
- M&A is one of the most straightforward approaches, as firms look for suitable targets to acquire to enhance operational capacity in deficient areas.
- There is a growing demand for insurance services with nationwide coverage for M&A.
- Adjusters and TPAs continue to pursue roll-up strategies to expand their geographic reach and product offerings; in November 2022, Raphael Claims Management, a TPA and independent claims adjuster acquired Fleetwood Claims Service, a TX-based independent adjusting firm specializing in liability-based claims.
- Private equity firms such as Longshore Capital and Century Equity Partners also continue to demonstrate strong interest in the industry due to its strong cash flow generation, macroeconomic industry tailwinds, counter-cyclical nature, and roll-up potential.

Key Financial Investors



Key Transactions

M&A Transactions

(USD, in millions)

Announce Date	Target	Acquiror	Value	Multiple Revenue	Multiple Earnings
11/4/22	FLEETWOOD INSURANCE GROUP	RAPHAEL CLAIMS MANAGEMENT	NA	NA	NA
10/24/22	SOUTHWEST ADJUSTERS NATIONWIDE INDEPENDENT CLAIMS ADJUSTING	LONGSHORE CAPITAL	NA	NA	NA
9/8/22	JOHNS EASTERN Claim Adjusters & Third Party Administrators	Davies	NA	NA	NA
8/3/22	kemberton A REVECORE Company	REVECORE	NA	NA	NA
7/5/22	LOREGA	geo/	NA	NA	NA
6/23/22	U.S. Forensic Engineering & Inspection's Forensic Analysis	ATE Applied Technical Services	NA	NA	NA
6/22/22	PDA	Alacrity SOLUTIONS	NA	NA	NA
6/10/22	NATIONAL FLOOD SERVICES	UniFi MANAGEMENT	NA	NA	NA
6/2/22	Inspection Connection	LATITUDE SUBROGATION SERVICES	NA	NA	NA

Insurance Claims – Select Transaction Profiles

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

Fleetwood Claims Service Acquired by Raphael & Associates

- In November 2022, Fleetwood Claims Service was acquired by Raphael & Associates for an undisclosed amount.
- Fleetwood Claims Service operates as a third-party claims administrator and independent claims adjusting company that provides claims handling services. The company was founded in 1997 and is based in Katy, Texas.
- This transaction will enhance R&A's robust liability service offerings and Fleetwood's CEO Mark's experience will add to R&A's strong Field Liability team.



Johns Eastern Acquired by Davies

- In September 2022, Johns Eastern was acquired by Davies for an undisclosed amount.
- Johns Eastern is a provider of claim adjuster and third-party administration (TPA) service based in Lakewood Ranch, Florida. The company is a leading TPA and independent adjusting firm, spanning workers' compensation, auto, trucking, general liability, property and motor truck cargo claims.
- The acquisition will enable a stronger service proposition for insurance clients who are seeking to engage with a trusted partner that heavily invests in technology and delivers outstanding service experiences.



Southwest Adjusters Acquired by Longshore Capital Partners

- In October 2022, Southwest Adjusters was acquired by Longshore Capital Partners for an undisclosed amount. Evolve served as a financial advisor for Longshore Capital Partners.
- Southwest Adjusters provides outsourced insurance claim adjusting services for property, catastrophe, desk, and damage appraisal claims.
- The acquisition will enable Southwest Adjusters to expand its presence as a partner to insurance carriers across the U.S.
- This acquisition will also accelerate Southwest Adjusters' growth by leveraging Longshore Capital Partners' experience in the insurance space.



Kemberton Healthcare Services Acquired by Revecore

- In August 2022, Kemberton Healthcare Services was acquired by Revecore for an undisclosed amount.
- Kemberton Healthcare Services is a provider of revenue cycle management services intended to serve hospitals for complex claims settlements. The company's services cover denial claims, motor vehicle accident claims and worker's compensation claims to lower conversion days.
- The transaction will enable Revecore continuing to execute on creating a leading portfolio of tech-enabled solutions to drive improved outcomes for health systems across the country.



Appendix



Insurance Carriers Market Overview

Public Comparable Companies (1/2)

(All figures in millions of USD, except per share data. Data as of January 18, 2023)

P&C Insurance

	Stock Price	% of 52-Wk. High	Market Value	Total Assets	LTM		Growth Rates:			LTM Net Income %	MV / Rev.			P / E			Price Book	ROE %
					Revenue	Net Income	Revenue		Earnings									
							CY 2023	CY 2024	LT		LTM	CY 2023	CY 2024	LTM	CY 2023	CY 2024		
Ping An Insurance	\$7.70	86.7%	\$149,339	\$1,595,605	\$185,853	\$14,299	3%	6%	8%	8%	0.8x	1.3x	1.2x	10.4x	7.1x	6.2x	1.1x	12%
Chubb	\$220.57	95.8%	\$91,548	\$198,111	\$41,684	\$6,142	8%	6%	NA	15%	2.2x	2.2x	2.1x	14.9x	12.4x	11.3x	1.9x	11%
The Progressive	\$128.23	94.7%	\$75,023	\$75,524	\$48,609	\$2,150	12%	12%	NA	4%	1.5x	1.3x	1.2x	34.9x	19.7x	17.3x	5.3x	13%
The Travelers Companies	\$183.63	94.4%	\$43,033	\$114,317	\$36,259	\$3,331	9%	6%	NA	9%	1.2x	1.2x	1.1x	12.9x	12.6x	11.2x	2.2x	14%
The Hartford Financial Services	\$75.11	94.5%	\$23,892	\$71,801	\$22,135	\$1,934	6%	4%	NA	9%	1.1x	1.0x	1.0x	12.4x	9.1x	8.5x	1.9x	13%
Cincinnati Financial	\$104.40	72.9%	\$16,410	\$28,199	\$6,766	\$791	58%	9%	NA	12%	2.4x	1.9x	1.8x	20.7x	21.8x	18.6x	1.7x	7%
Everest Re Group	\$345.48	95.5%	\$13,531	\$38,144	\$12,004	\$976	9%	7%	NA	8%	1.1x	1.0x	0.9x	13.9x	7.8x	6.5x	1.8x	11%
Erie Indemnity	\$247.39	86.4%	\$12,936	\$2,178	\$2,775	\$288	5%	NA	NA	10%	4.7x	4.4x	NA	44.9x	35.6x	NA	9.5x	22%
CNA Financial	\$42.53	84.5%	\$11,521	\$60,215	\$11,822	\$912	6%	(22%)	NA	8%	1.0x	0.9x	1.2x	12.6x	9.6x	8.3x	1.4x	9%
Selective Insurance Group	\$91.44	92.6%	\$5,512	\$10,520	\$3,476	\$228	14%	8%	NA	7%	1.6x	1.4x	1.3x	24.2x	15.0x	13.3x	2.5x	9%
ZhongAn	\$3.46	80.1%	\$5,092	\$8,042	\$3,451	(\$32)	19%	17%	NA	(1%)	1.5x	1.2x	1.0x	NMF	27.3x	22.6x	2.1x	(1%)
AXIS Capital	\$56.55	92.1%	\$4,788	\$27,120	\$5,081	\$349	6%	6%	NA	7%	0.9x	0.9x	0.8x	13.7x	7.7x	6.5x	1.3x	8%
The Hanover Insurance Group	\$131.38	84.5%	\$4,672	\$13,746	\$5,368	\$292	7%	7%	NA	5%	0.9x	0.8x	0.7x	16.0x	13.2x	11.8x	2.0x	11%
Kemper	\$53.36	85.0%	\$3,409	\$13,458	\$5,678	(\$352)	(4%)	1%	NA	(6%)	0.6x	0.6x	0.6x	NMF	19.9x	12.0x	1.4x	(11%)
Vienna Insurance Group	\$26.40	91.2%	\$3,379	\$53,057	\$12,532	\$437	6%	5%	9%	3%	0.3x	0.3x	0.3x	7.7x	7.3x	6.3x	0.7x	8%
COFACE	\$13.73	96.2%	\$2,046	\$9,294	\$1,957	\$283	5%	5%	(2%)	14%	1.0x	1.0x	0.9x	7.2x	9.1x	8.6x	0.9x	13%
Mercury General	\$35.11	62.5%	\$1,944	\$6,455	\$3,541	(\$475)	6%	4%	NA	(13%)	0.5x	0.5x	0.4x	NMF	27.4x	11.7x	1.3x	(26%)
Horace Mann Educators	\$36.68	85.4%	\$1,500	\$13,314	\$1,368	\$91	5%	3%	NA	7%	1.1x	1.0x	1.0x	16.4x	11.8x	10.2x	1.4x	6%
Safety Insurance Group	\$85.12	85.3%	\$1,254	\$1,934	\$797	\$55	NA	NA	NA	7%	1.6x	NA	NA	22.9x	NA	NA	1.6x	6%
Employers Holdings	\$42.97	92.0%	\$1,169	\$3,709	\$692	\$77	18%	NA	NA	11%	1.7x	1.4x	NA	15.3x	13.6x	NA	1.3x	7%
Lemonade	\$15.83	45.8%	\$1,095	\$1,713	\$209	(\$304)	57%	35%	NA	NMF	5.2x	2.8x	2.1x	NMF	NMF	NMF	1.2x	(31%)
Donegal Group	\$15.16	88.5%	\$492	\$2,237	\$835	(\$0)	NA	NA	NA	(0%)	0.6x	NA	NA	NMF	NA	NA	1.0x	(0%)
Root	\$5.15	11.5%	\$73	\$1,384	\$333	(\$340)	(15%)	13%	NMF	NMF	0.2x	0.3x	0.2x	NMF	NMF	NMF	0.2x	(70%)
MEAN							11%	7%	5%	6%	1.5x	1.3x	1.0x	17.7x	15.2x	11.2x	2.0x	2%
MEDIAN							6%	6%	8%	7%	1.1x	1.0x	1.0x	14.9x	12.6x	11.2x	1.4x	8%

Insurance Carriers Market Overview

Public Comparable Companies (2/2)

(All figures in millions of USD, except per share data. Data as of January 18, 2023)

Traditional / Life Insurance

	Stock Price	% of 52-Wk. High	Market Value	Total Assets	LTM		Growth Rates:			LTM Net Income %	MV / Rev.			P / E			Price				
					Revenue	Net Income	Revenue		Earnings		LTM	CY 2023	CY 2024	LTM	CY 2023	CY 2024	LTM	CY 2023	CY 2024	Book	ROE %
							CY 2023	CY 2024	LT												
Ping An Insurance	\$7.70	86.7%	\$149,339	\$1,595,605	\$185,853	\$14,299	3%	6%	8%	8%	0.8x	1.3x	1.2x	10.4x	7.1x	6.2x	1.1x	12%			
AIA Group	\$11.09	92.6%	\$129,746	\$301,522	\$25,244	\$6,733	8%	10%	10%	27%	5.1x	3.4x	3.1x	19.3x	17.5x	15.3x	3.2x	13%			
China Life Insurance	\$1.88	95.7%	\$125,724	\$760,290	\$114,330	\$5,667	2%	4%	11%	5%	1.1x	1.4x	1.3x	22.2x	16.5x	14.4x	0.8x	8%			
Cigna	\$308.36	90.7%	\$94,278	\$144,209	\$180,026	\$6,615	5%	22%	5%	4%	0.5x	0.5x	0.4x	14.3x	12.8x	11.6x	2.1x	14%			
MetLife	\$70.16	90.7%	\$55,048	\$650,104	\$73,671	\$6,017	(9%)	4%	(2%)	8%	0.7x	0.8x	0.8x	9.1x	8.7x	8.2x	2.2x	13%			
Aflac	\$71.88	97.1%	\$44,694	\$128,100	\$20,928	\$5,055	(3%)	1%	(2%)	24%	2.1x	2.4x	2.4x	8.8x	13.3x	13.1x	1.9x	18%			
Prudential Financial	\$98.57	79.4%	\$36,274	\$677,756	\$61,398	\$3,912	(16%)	3%	(4%)	6%	0.6x	0.7x	0.7x	9.3x	8.4x	8.0x	2.2x	10%			
Manulife	\$18.79	89.9%	\$35,044	\$621,451	\$16,029	\$5,400	(46%)	47%	1%	34%	2.2x	1.2x	0.8x	6.5x	7.8x	7.3x	0.9x	14%			
Sun Life Financial	\$48.12	87.1%	\$28,220	\$239,827	\$17,880	\$2,373	36%	4%	NA	13%	1.6x	0.9x	0.9x	11.9x	10.1x	9.6x	1.4x	12%			
Great-West Lifeco	\$25.54	82.7%	\$23,796	\$500,873	\$35,826	\$2,202	6%	8%	0%	6%	0.7x	0.5x	0.5x	10.8x	9.6x	9.2x	1.3x	12%			
Principal Financial Group	\$87.41	90.9%	\$21,388	\$282,581	\$18,461	\$1,656	4%	5%	2%	9%	1.2x	1.6x	1.5x	12.9x	12.5x	11.8x	2.3x	13%			
Legal & General Group	\$3.20	85.8%	\$19,007	\$648,140	NMF	\$2,616	27%	27%	5%	NA	NMF	0.2x	0.1x	7.3x	7.0x	6.3x	1.3x	19%			
Swiss Life Holding	\$578.20	83.8%	\$17,824	\$239,122	\$24,396	\$1,390	2%	8%	NA	6%	0.7x	0.7x	0.7x	12.8x	12.0x	11.3x	1.5x	9%			
SBI Life Insurance	\$16.11	97.9%	\$16,123	\$35,449	\$9,064	\$206	18%	17%	NA	2%	1.8x	1.3x	1.1x	78.3x	61.9x	52.4x	NMF	14%			
Aviva	\$5.45	72.7%	\$15,266	\$393,944	\$5,392	\$1,922	12%	14%	5%	36%	2.8x	0.2x	0.2x	7.9x	8.0x	7.1x	0.9x	10%			
Globe Life	\$118.63	95.8%	\$11,539	\$24,839	\$5,190	\$706	4%	5%	9%	14%	2.2x	2.1x	2.0x	16.3x	12.5x	11.6x	2.6x	11%			
Aegon	\$5.44	92.7%	\$10,502	\$459,223	NMF	\$1,643	3%	(9%)	NA	NA	NMF	0.5x	0.5x	6.4x	6.5x	7.0x	0.7x	7%			
ICICI Prudential Life Insurance	\$5.99	80.0%	\$8,612	\$31,424	\$6,586	\$94	(9%)	10%	NA	1%	1.3x	1.7x	1.5x	91.6x	63.2x	51.6x	5.2x	8%			
Unum Group	\$39.87	85.5%	\$7,932	\$60,867	\$11,964	\$1,194	3%	3%	9%	10%	0.7x	0.6x	0.6x	6.6x	6.4x	6.1x	0.9x	12%			
Baloise	\$160.75	83.0%	\$7,261	\$91,622	\$7,387	\$627	4%	2%	NA	8%	1.0x	0.9x	0.9x	11.6x	11.2x	10.4x	1.3x	9%			
Voya Financial	\$66.78	90.9%	\$6,489	\$144,048	\$5,772	\$682	8%	5%	(2%)	12%	1.1x	1.0x	0.9x	9.5x	7.9x	7.3x	1.6x	11%			
iA Financial	\$60.63	95.5%	\$6,353	\$63,591	\$7,598	\$593	2%	NA	NA	8%	0.8x	0.5x	NA	10.7x	9.0x	8.2x	1.3x	12%			
Primerica	\$149.34	93.6%	\$5,510	\$15,042	\$2,821	\$428	5%	7%	5%	15%	2.0x	1.9x	1.8x	12.9x	11.7x	10.8x	3.4x	23%			
Lincoln National	\$30.30	39.7%	\$5,127	\$324,683	\$19,192	(\$2,013)	2%	4%	2%	(10%)	0.3x	0.3x	0.3x	NMF	3.4x	3.1x	2.3x	(17%)			
abrdn	\$2.57	81.7%	\$4,980	\$13,457	\$1,933	\$737	2%	5%	NA	38%	2.6x	2.8x	2.7x	6.8x	19.8x	17.1x	0.6x	9%			
Brighthouse Financial	\$51.64	82.8%	\$3,570	\$221,641	\$10,027	\$910	2%	3%	(10%)	9%	0.4x	0.4x	0.4x	3.9x	3.7x	3.6x	0.6x	8%			
E-L Financial	\$669.47	94.9%	\$2,319	\$16,791	NMF	(\$278)	NA	NA	NA	NA	NMF	NA	NA	NMF	NA	NA	0.5x	(6%)			
Oscar Health	\$3.05	29.0%	\$655	\$4,309	\$3,519	(\$579)	11%	9%	NMF	(16%)	0.2x	0.1x	0.1x	NMF	NMF	NMF	0.6x	(44%)			
Hansard Global	\$0.51	76.1%	\$70	\$1,622	NMF	\$4	NMF	NA	NA	NA	NA	0.5x	NA	15.7x	15.2x	NA	2.5x	15%			
Midwest Holding	\$14.84	61.3%	\$55	\$1,686	\$61	\$10	40%	30%	NA	16%	0.9x	0.6x	0.5x	5.6x	7.6x	4.7x	1.7x	18%			
MEAN							5%	9%	3%	11%	1.4x	1.1x	1.0x	16.3x	14.0x	12.4x	1.7x	9%			
MEDIAN							3%	5%	4%	9%	1.0x	0.8x	0.8x	10.7x	9.9x	9.2x	1.4x	12%			

Insurance Distribution / Brokerage

Public Comparable Companies

(All figures in millions of USD, except per share data. Data as of January 18, 2023)

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 2023		LTM	CY 2023	
							CY 2023	CY 2024					CY 2024	CY 2024		CY 2024	CY 2024
Marsh & McLennan	\$168.81	92.2%	\$83,731	\$96,439	\$20,835	\$5,706	7%	6%	7%	44%	27%	4.6x	4.3x	4.1x	16.9x	16.1x	15.2x
Aon	\$314.09	91.8%	\$64,970	\$75,991	\$12,429	\$3,902	6%	5%	6%	48%	31%	6.1x	5.8x	5.5x	19.5x	17.7x	16.6x
Arthur J. Gallagher	\$191.99	95.3%	\$40,479	\$46,530	\$8,247	\$2,310	13%	10%	NA	43%	28%	5.6x	4.9x	4.4x	20.1x	15.5x	13.7x
Willis Towers Watson	\$251.29	97.2%	\$27,199	\$31,245	\$8,850	\$2,210	4%	5%	6%	46%	25%	3.5x	3.4x	3.2x	14.1x	12.4x	11.3x
Brown & Brown	\$60.63	81.9%	\$17,172	\$20,927	\$3,408	\$1,096	13%	7%	NA	48%	32%	6.1x	5.2x	4.8x	19.1x	15.7x	14.6x
BRP Group	\$30.08	90.2%	\$1,848	\$3,710	\$894	\$178	21%	18%	25%	28%	20%	4.2x	3.2x	2.7x	20.9x	14.5x	11.5x
Goosehead Insurance	\$38.32	37.5%	\$869	\$1,014	\$191	\$30	32%	31%	NA	36%	16%	5.3x	3.8x	2.9x	33.7x	20.9x	14.7x
GoHealth	\$15.42	35.2%	\$137	\$1,048	\$1,012	(\$74)	6%	6%	NA	74%	(7%)	1.0x	1.1x	1.0x	NMF	11.8x	8.3x
MEAN							13%	11%	11%	46%	22%	4.6x	3.9x	3.6x	20.6x	15.6x	13.3x
MEDIAN							10%	7%	7%	45%	26%	5.0x	4.0x	3.7x	19.5x	15.6x	14.2x

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 2023		LTM	CY 2023	
							CY 2023	CY 2024					CY 2024	CY 2024		CY 2024	CY 2024
Moneysupermarket.com	\$2.66	93.5%	\$1,425	\$1,500	\$430	\$109	5%	9%	NA	69%	25%	3.5x	3.0x	2.7x	13.8x	9.9x	8.8x
QuinStreet	\$15.25	94.0%	\$818	\$738	\$566	\$22	7%	11%	NA	8%	4%	1.3x	1.2x	1.1x	32.9x	18.4x	13.6x
EverQuote	\$18.22	96.6%	\$586	\$556	\$418	(\$26)	7%	23%	NA	94%	(6%)	1.3x	1.3x	1.0x	NMF	56.6x	18.3x
eHealth	\$6.06	24.9%	\$166	\$360	\$453	(\$103)	8%	14%	NA	99%	(23%)	0.8x	0.9x	0.8x	NMF	NMF	NMF
GoHealth	\$15.42	35.2%	\$137	\$1,048	\$1,012	(\$74)	6%	6%	NA	74%	(7%)	1.0x	1.1x	1.0x	NMF	11.8x	8.3x
SelectQuote	\$0.71	8.7%	\$119	\$778	\$770	(\$262)	17%	11%	NA	37%	(34%)	1.0x	0.8x	0.7x	NMF	29.7x	11.1x
MEAN							8%	12%	NA	64%	(7%)	1.5x	1.4x	1.2x	23.4x	25.3x	12.0x
MEDIAN							7%	11%	NA	71%	(7%)	1.2x	1.1x	1.0x	23.4x	18.4x	11.1x

Insurance Software Market Overview

Public Comparable Companies

(All figures in millions of USD, except per share data. Data as of January 18, 2023)

Software Solutions

	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:			LTM Margins:		EV / Revenue			EV / EBITDA		
							Revenue:		Earnings			LTM		CY 2023		CY 2024	
					Revenue	EBITDA	CY 2023	CY 2024	LT	Gross	EBITDA	LTM	CY 2023	CY 2024	LTM	CY 2023	CY 2024
Roper Technologies	\$437.81	89.7%	\$46,431	\$51,196	\$6,142	\$2,349	11%	4%	14%	67%	38%	8.3x	8.6x	8.2x	21.8x	21.2x	19.1x
Guidewire Software	\$68.59	65.6%	\$5,616	\$5,407	\$842	(\$182)	10%	12%	91%	42%	(22%)	6.4x	5.8x	5.2x	NMF	NMF	65.5x
Duck Creek Technologies	\$19.05	71.5%	\$2,532	\$2,289	\$310	\$20	11%	12%	NA	57%	6%	7.4x	6.6x	5.9x	NMF	74.2x	53.1x
Sapiens International	\$21.14	65.0%	\$1,215	\$1,166	\$474	\$84	7%	8%	NA	42%	18%	2.5x	2.3x	2.1x	13.9x	11.3x	10.4x
Ebix	\$19.09	43.0%	\$590	\$1,187	\$1,062	\$140	(5%)	NA	NA	30%	13%	1.1x	1.2x	NA	8.5x	6.6x	NA
MediaAlpha	\$12.08	70.0%	\$521	\$686	\$497	(\$31)	26%	23%	10%	15%	(6%)	1.4x	1.2x	1.0x	NMF	19.5x	13.7x
FINEOS	\$1.32	46.4%	\$422	\$380	\$138	(\$15)	9%	11%	NMF	65%	(11%)	2.8x	2.4x	2.2x	NMF	19.9x	14.3x
Crawford & Company	\$5.92	74.2%	\$287	\$621	\$1,160	\$83	5%	NA	NA	25%	7%	0.5x	0.5x	NA	7.5x	5.8x	NA
MEAN							9%	12%	38%	43%	5%	3.8x	3.6x	4.1x	12.9x	22.6x	29.3x
MEDIAN							10%	11%	14%	42%	7%	2.6x	2.4x	3.7x	11.2x	19.5x	16.7x

Data & Analytics Solutions

	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:			LTM Margins:		EV / Revenue			EV / EBITDA		
							Revenue:		Earnings			LTM		CY 2023		CY 2024	
					Revenue	EBITDA	CY 2023	CY 2024	LT	Gross	EBITDA	LTM	CY 2023	CY 2024	LTM	CY 2023	CY 2024
RELX	\$29.67	97.0%	\$56,593	\$65,001	\$9,672	\$3,017	9%	6%	10%	64%	31%	6.7x	5.7x	5.4x	21.5x	15.2x	14.1x
Verisk Analytics	\$180.69	81.4%	\$28,258	\$31,659	\$3,033	\$1,398	(11%)	7%	NA	66%	46%	10.4x	12.3x	11.5x	22.6x	23.0x	20.9x
Fair Isaac	\$629.97	98.4%	\$15,734	\$17,513	\$1,377	\$562	8%	9%	NA	78%	41%	12.7x	11.6x	10.6x	31.1x	22.7x	20.4x
CCC Intelligent	\$8.61	74.6%	\$5,344	\$5,956	\$765	\$301	8%	9%	NA	77%	39%	7.8x	7.0x	6.5x	19.8x	17.9x	16.0x
MEAN							4%	8%	10%	71%	39%	9.4x	9.2x	8.5x	23.8x	19.7x	17.9x
MEDIAN							8%	8%	10%	71%	40%	9.1x	9.3x	8.5x	22.1x	20.3x	18.2x

Tech-Enabled Services Market Overview

Public Comparable Companies

(All figures in millions of USD, except per share data. Data as of January 18, 2023)

Tech-Enabled Insurance Services

	Stock Price	% of 52-Wk. High	Market Value	Enterprise Value	LTM		Growth Rates:			LTM Margins:		EV / Revenue			EV / EBITDA		
					Revenue	EBITDA	Revenue:		Earnings	Gross	EBITDA	LTM	CY 2023	CY 2024	LTM	CY 2023	CY 2024
							CY 2023	CY 2024	LT								
Genpact	\$46.93	90.3%	\$8,600	\$9,824	\$4,341	\$681	7%	9%	NA	35%	16%	2.3x	2.1x	1.9x	14.4x	11.2x	10.1x
Huron Consulting Group	\$68.04	84.3%	\$1,266	\$1,652	\$1,067	\$122	10%	NA	NA	30%	11%	1.5x	1.4x	NA	13.6x	11.2x	NA
MultiPlan Corporation	\$1.10	17.8%	\$703	\$5,181	\$1,137	\$778	(5%)	5%	NA	83%	68%	4.6x	5.0x	4.8x	6.7x	7.3x	7.0x
MEAN							4%	7%	NA	49%	32%	2.8x	2.8x	3.4x	11.6x	9.9x	8.6x
MEDIAN							7%	7%	NA	35%	16%	2.3x	2.1x	3.4x	13.6x	11.2x	8.6x