



**HOULIHAN
CAPITAL**

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Industry Observations – September 30, 2018

Insurance Industry

Select Insurance Public Company Industry Data As of September 30, 2018

(USD in millions, except per share data)

Company Name	Ticker	Market Data			LTM Operating Data			Forward Estimates			
		Price at 09/30/18	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2018 Revenue Estimate	CY 2018 EBITDA Estimate
Property and Casualty											
First American Financial Corporation	FAF	\$51.59	82.3%	\$5,760.48	\$3,825.29	18.3%	\$11,380.13	\$5,812.05	\$823.52	\$5,785.35	\$832.30
Stewart Information Services Corporation	STC	\$45.01	95.0%	\$1,068.73	\$967.19	13.6%	\$1,370.43	\$1,964.20	\$105.91	\$1,960.50	\$117.10
Fidelity National Financial, Inc.	FNF	\$39.35	92.5%	\$10,817.47	\$9,463.07	14.2%	\$9,371.00	\$7,875.00	\$1,137.00	\$7,835.75	\$1,143.00
Amerisafe, Inc.	AMSF	\$61.95	91.3%	\$1,193.21	\$1,230.19	0.0%	\$1,586.97	\$378.02	\$83.58	\$378.80	\$0.00
Life and Health											
Aflac Incorporated	AFL	\$47.07	97.7%	\$36,140.36	\$38,238.44	23.8%	\$137,941.00	\$22,197.00	\$4,676.25	\$21,821.98	\$0.00
Torchmark Corporation	TMK	\$86.69	92.6%	\$9,734.99	\$11,655.19	26.3%	\$23,469.49	\$4,295.91	\$975.61	\$4,312.28	\$972.24
Unum Group	UNM	\$39.07	66.5%	\$8,544.82	\$11,121.86	26.0%	\$62,249.80	\$11,556.90	\$928.70	\$11,635.31	\$0.00
Insurance Brokers											
Arthur J. Gallagher & Co.	AJG	\$74.44	97.3%	\$13,593.64	\$17,276.32	43.4%	\$16,114.70	\$6,629.50	\$1,051.80	\$6,791.96	\$1,162.81
Brown & Brown, Inc.	BRO	\$29.57	93.7%	\$8,258.14	\$8,590.65	22.7%	\$5,802.81	\$1,975.59	\$609.60	\$2,008.32	\$611.97
Crawford & Company Marsh & McLennan Companies, Inc.	CRD.B MMC	\$9.21 \$82.72	74.3% 94.1%	\$508.29 \$41,771.91	\$669.08 \$49,524.68	52.0% 44.9%	\$731.49 \$21,129.00	\$1,105.94 \$14,923.00	\$89.57 \$3,516.00	\$1,108.70 \$14,972.62	\$113.94 \$3,536.47
Health Insurance Innovations, Inc.	HIHQ	\$61.65	98.0%	\$845.08	\$553.43	0.0%	\$173.39	\$282.98	\$33.44	\$299.52	\$58.06

Notes: LTM (latest twelve months); Enterprise Value (market capitalization less total cash and short-term investments plus short-term borrowings and total long-term debt);

EBITDA (earnings before interest, taxes, depreciation and amortization)

Source: Capital IQ

The material contained in this publication is meant to provide general information regarding valuation topics. This publication does not constitute investment advice with respect to the securities of any company discussed herein, is not intended to provide information upon which to base an investment decision, and should not be construed as such. Professional advice should be obtained before taking any action based on the information contained herein.

Publicly available information utilized in this publication has been obtained from sources deemed to be reliable. Houlihan does not guarantee the accuracy or completeness of the information provided within this publication. The material presented reflects information known to the authors at the time this publication was written and this information is subject to change.

Select Insurance Public Company Valuation Metrics As of September 30, 2018

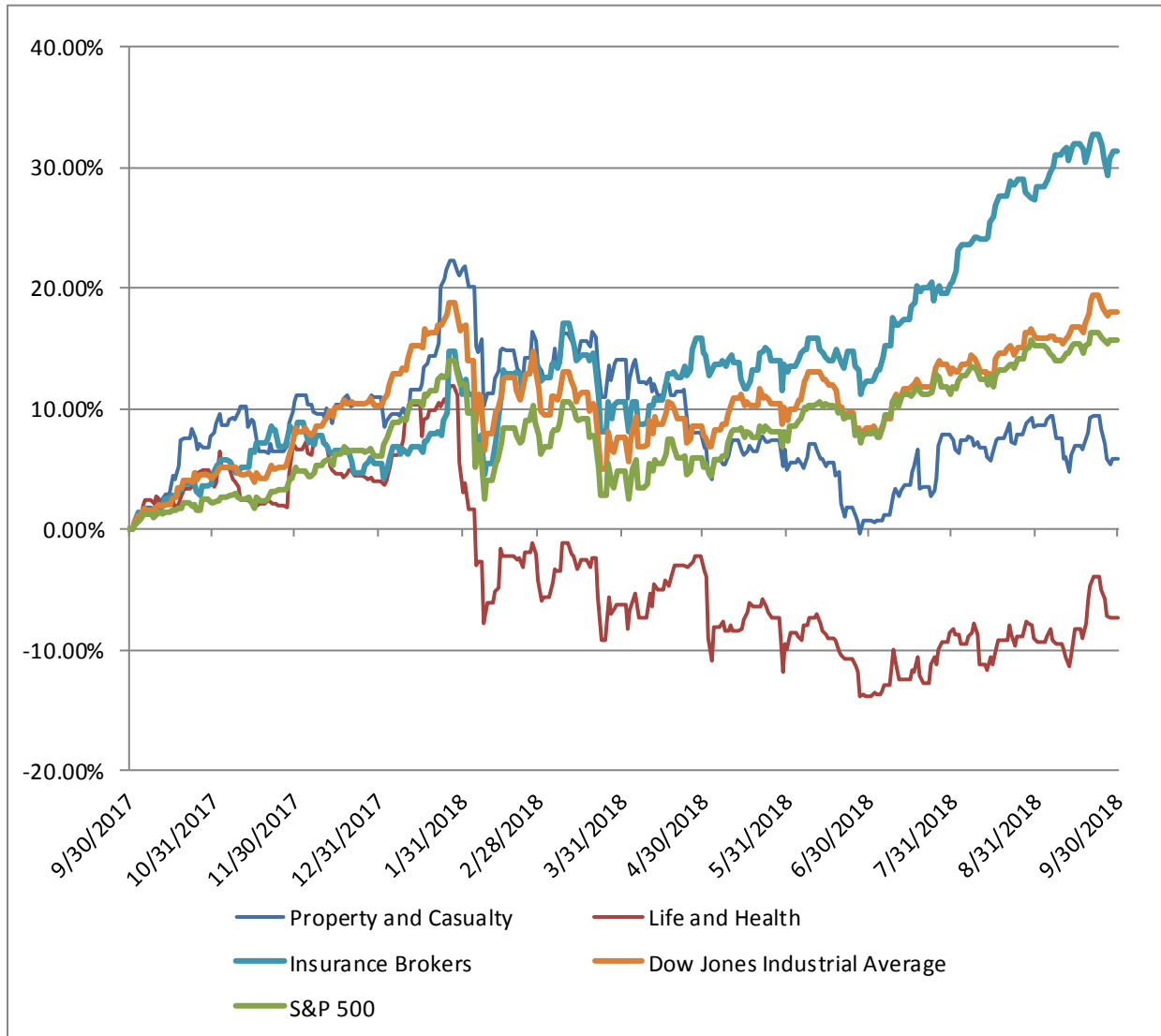
(USD in millions, except per share data)

Company Name	Ticker	LTM Operating Statistics						Trading Multiples			
		Return On Assets	Return On Equity	Return On Capital	Revenue Growth	EBITDA Growth	EBITDA Margin	TEV/ LTM Revenue	TEV/ CY 2018 Revenue	TEV/ LTM EBITDA	TEV/ CY 2018 EBITDA
Property and Casualty											
First American Financial Corporation											
	FAF	4.2%	17.3%	10.3%	0.3%	53.7%	14.2%	0.7x	0.7x	4.6x	4.6x
Stewart Information Services Corporation											
	STC	3.6%	9.2%	6.3%	0.1%	-10.5%	5.4%	0.5x	0.5x	9.1x	8.3x
Fidelity National Financial, Inc.											
	FNF	6.0%	15.5%	9.5%	18.9%	-1.9%	14.4%	1.2x	1.2x	8.3x	8.3x
Amerisafe, Inc.											
	AMSF	3.3%	11.2%	10.8%	-0.2%	-10.4%	22.1%	3.3x	3.2x	14.7x	N/A
	Mean	4.3%	13.3%	9.2%	4.8%	7.7%	14.0%	1.4x	1.4x	9.2x	7.0x
	Median	3.9%	13.4%	9.9%	0.2%	-6.2%	14.3%	0.9x	0.9x	8.7x	8.3x
Life and Health											
Aflac Incorporated											
	AFL	2.1%	22.0%	9.9%	0.2%	5.2%	21.1%	1.7x	1.8x	8.2x	N/A
Torchmark Corporation											
	TMK	2.6%	29.2%	8.5%	5.4%	10.3%	22.7%	2.7x	2.7x	11.9x	12.0x
Unum Group											
	UNM	0.8%	6.0%	4.3%	2.8%	-45.2%	8.0%	1.0x	1.0x	12.0x	N/A
	Mean	1.8%	19.1%	7.6%	2.8%	-9.9%	17.3%	1.8x	1.8x	10.7x	12.0x
	Median	2.1%	22.0%	8.5%	2.8%	5.2%	21.1%	1.7x	1.8x	11.9x	12.0x
Insurance Brokers											
Arthur J. Gallagher & Co.											
	AJG	2.8%	13.9%	5.3%	11.5%	12.6%	15.9%	2.6x	2.5x	16.4x	14.9x
Brown & Brown, Inc.											
	BRO	4.8%	16.9%	8.7%	8.7%	6.5%	30.9%	4.3x	4.3x	14.1x	14.0x
Crawford & Company											
	CRD.B	5.1%	5.7%	9.2%	2.5%	-12.5%	8.1%	0.6x	0.6x	7.5x	5.9x
Marsh & McLennan Companies, Inc.											
	MMC	9.2%	21.0%	14.3%	8.9%	7.6%	23.6%	3.3x	3.3x	14.1x	14.0x
Health Insurance Innovations, Inc.											
	HIHQ	11.2%	17.8%	17.9%	21.8%	-2.8%	11.8%	2.0x	1.8x	16.5x	9.5x
	Mean	6.6%	15.1%	11.1%	10.7%	2.3%	18.0%	2.6x	2.5x	13.7x	11.7x
	Median	5.1%	16.9%	9.2%	8.9%	6.5%	15.9%	2.6x	2.5x	14.1x	14.0x

Notes: LTM (latest twelve months); NTM (next twelve months); EBITDA (earnings before interest, taxes, depreciation and amortization); TEV (total enterprise value)

Source: Capital IQ

Insurance Public Company LTM Equity Performance
As of September 30, 2018



Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

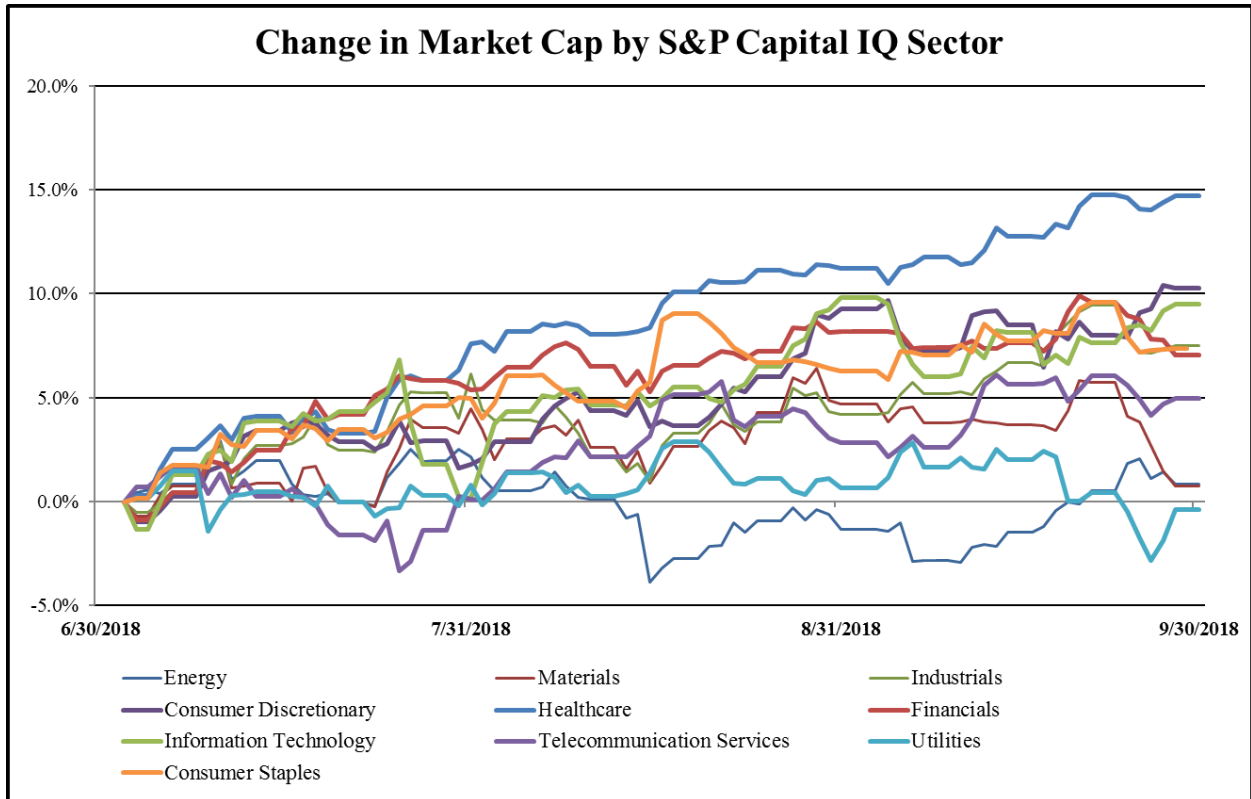
Recent M&A Activity in Insurance Industry September 30, 2017 to September 30, 2018

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Equity Value
7/2/2018	The New York State Catholic Health Plan, Inc.	Centene Corporation	Life and Health Insurance	\$3,375.00
5/1/2018	Liberty Life Assurance Company of Boston	The Lincoln National Life Insurance Company	Life and Health Insurance	\$3,300.00
5/31/2018	The Warranty Group, Inc.	Assurant, Inc.	Property and Casualty Insurance	\$1,931.87
2/28/2018	The Amynta Group	Madison Dearborn Partners, LLC	Insurance Brokers	\$1,860.78
11/30/2017	Fidelity & Guaranty Life	CF Corporation (nka:FGL Holdings)	Life and Health Insurance	\$1,832.14
2/15/2018	America's 1st Choice	Anthem, Inc.	Life and Health Insurance	\$1,700.00
5/31/2018	Talcott Resolution Life, Inc.	J. Safra Sarasin Holding AG; Pine Brook Road	Life and Health Insurance	\$1,607.00
11/1/2017	The U.S. Group Life And Disability Business	Hartford Life and Accident Insurance Company,	Life and Health Insurance	\$1,450.00
7/2/2018	Infinity Property and Casualty Corporation	Kemper Corporation	Property and Casualty Insurance	\$1,334.57
11/1/2017	Life Settlements Portfolio	M/A	Life and Health Insurance	\$1,100.00
11/17/2017	State National Companies, Inc.	Markel Corporation	Property and Casualty Insurance	\$885.64
5/1/2018	Substantially All Individual Life and Annuity Business of	Protective Life Insurance Company; Protective	Life and Health Insurance	\$422.90
5/11/2018	NSM Insurance Group, LLC	White Mountains Insurance Group, Ltd.	Insurance Brokers	\$387.37
3/30/2018	United Life Insurance Company	Kuware Holdings LLC	Life and Health Insurance	\$280.00
11/30/2017	NBIC Holdings, Inc.	Heritage Insurance Holdings, Inc.	Property and Casualty Insurance	\$250.00
12/31/2017	Pacific Compensation Corporation	CopperPoint Mutual Insurance Company	Property and Casualty Insurance	\$150.00
12/29/2017	Pavonia Holdings (US), Inc.	Southland National Holdings Inc	Life and Health Insurance	\$120.00
10/2/2017	Blackboard U.S. Holdings, Inc.	American International Group, Inc.	Multi-line Insurance	\$110.00
3/2/2018	Investors Heritage Capital Corporation	Aquarian Investors Heritage Holdings LLC	Life and Health Insurance	\$60.50
2/21/2018	Monarch Delaware Holdings LLC	Federated National Holding Company	Property and Casualty Insurance	\$28.97
1/22/2018	Wealth, Health and Life Advisors, LLC	eHealth, Inc.	Insurance Brokers	\$19.87
8/31/2018	Direct Auto Insurance Company	NI Holdings, Inc.	Property and Casualty Insurance	\$17.00
7/6/2018	Chatham Insurance Services, Inc.	DOXA Insurance Holdings LLC	Property and Casualty Insurance	\$10.00
6/1/2018	Anderson Insurance and Investment Agency, Inc.	Associated Benefits and Risk Consulting, LLC	Insurance Brokers	\$10.00
10/12/2017	Professional Warranty Service Corporation	Kingsway Financial Services Inc.	Property and Casualty Insurance	\$9.90
10/31/2017	Great Lakes Casualty Insurance Company	Clarendon National Insurance Company	Property and Casualty Insurance	\$8.00
12/21/2017	Reel Media LLC	FFI Holdings PLC	Property and Casualty Insurance	\$7.25
6/1/2018	IU, Inc.	Craven House Capital Plc	Insurance Brokers	\$2.50
1/2/2018	Maidstone Insurance Company	Pillar General Inc.	Property and Casualty Insurance	\$2.50
1/12/2018	Motorsports Entertainment Insurance Business of All Risks	Reel Media LLC	Property and Casualty Insurance	\$1.83
1/12/2018	Veterans Financial Group LLC	Greenbank Capital Inc	Insurance Brokers	\$0.42
8/9/2018	Kanawha Insurance Company	Continental General Insurance Company	Life and Health Insurance	\$0.01
9/28/2018	Regal Aviation Insurance / Lundy & Clark Insurance	AssuredPartners, Inc.	Property and Casualty Insurance	NA
9/25/2018	Specialty Insurance Consultants, LLC	NFP Corp.	Insurance Brokers	NA
9/25/2018	Select Insurance Markets, LLP/Preferred Personal	Risk Strategies Company, Inc.	Insurance Brokers	NA
9/18/2018	All Assets of Vandroff Insurance Agency, Inc.	Brown & Brown of Florida, Inc.	Insurance Brokers	NA
9/18/2018	Zodiac Insurance Services, Inc.	AFL Insurance Brokers Ltd	Insurance Brokers	NA
9/17/2018	Employee Benefits Business of Bluepoint Financial, LLC	AssuredPartners, Inc.	Property and Casualty Insurance	NA
9/17/2018	Parker Insurance Agency	Kinney Pike Insurance Inc.	Insurance Brokers	NA
9/14/2018	Rogers & Young Insurance Services, LLC	Arthur J. Gallagher & Co.	Insurance Brokers	NA
9/12/2018	Alan Gray, Inc.	Premia Holdings Ltd.	Insurance Brokers	NA
9/10/2018	The Gaudreau Group, Inc.	USI Insurance Services, LLC	Insurance Brokers	NA
9/10/2018	Roemer Insurance, Inc./Sunforest Transportation	AssuredPartners, Inc.	Property and Casualty Insurance	NA
9/10/2018	Medicare Advantage Health Plan Business of Soundpath	Premera Blue Cross	Life and Health Insurance	NA
9/7/2018	Contego Investigative Services, Inc.	M/A	Insurance Brokers	NA
9/6/2018	United Dealer Services, L.L.C.	Arthur J. Gallagher & Co.	Property and Casualty Insurance	NA
9/6/2018	Harbor Group Consulting, Inc.	Alliant Insurance Services, Inc.	Insurance Brokers	NA
9/6/2018	Tomorrow's Employment Concepts, LLC	OneDigital Health and Benefits, Inc.	Insurance Brokers	NA
9/6/2018	PMC Home & Auto Insurance Agency, LLC	Crestview Partners, L.P.	Insurance Brokers	NA
9/5/2018	LMG International LLC	OneDigital Health and Benefits, Inc.	Insurance Brokers	NA
9/5/2018	Assets of Harman Agency LLC	HUB International Limited	Insurance Brokers	NA
9/5/2018	Weinstein Insurance Services, LLC	NSI Insurance Group, Inc.	Multi-line Insurance	NA
9/5/2018	The Ranew Insurance Agency, Inc.	AssuredPartners, Inc.	Insurance Brokers	NA
9/4/2018	Wheatman Insurance Services LLC	Arthur J. Gallagher & Co.	Insurance Brokers	NA
9/4/2018	1-2-1 Claims, Inc.	Athens Administrators, Inc.	Insurance Brokers	NA
9/1/2018	Fred Brown & Companies	Insgroup, Inc.	Insurance Brokers	NA
9/1/2018	Sparks Insurance, Inc.	Vizance, Inc.	Life and Health Insurance	NA
8/31/2018	The Murray Insurance Agency Inc	Holman Insurance Services, LLC	Insurance Brokers	NA
8/29/2018	Ritman & Associates, Inc.	Seeman Holtz Property and Casualty, Inc.	Property and Casualty Insurance	NA
8/28/2018	Agent Service Connection, Inc.	Integrity Marketing Group, LLC	Insurance Brokers	NA
8/23/2018	Substantially All Assets of Access Holdeo Management,	Embark Holdeo Management, LLC	Property and Casualty Insurance	NA
8/22/2018	Hopkins Insurance Agency, Inc.	Central Ohio Financial Services, INC	Insurance Brokers	NA

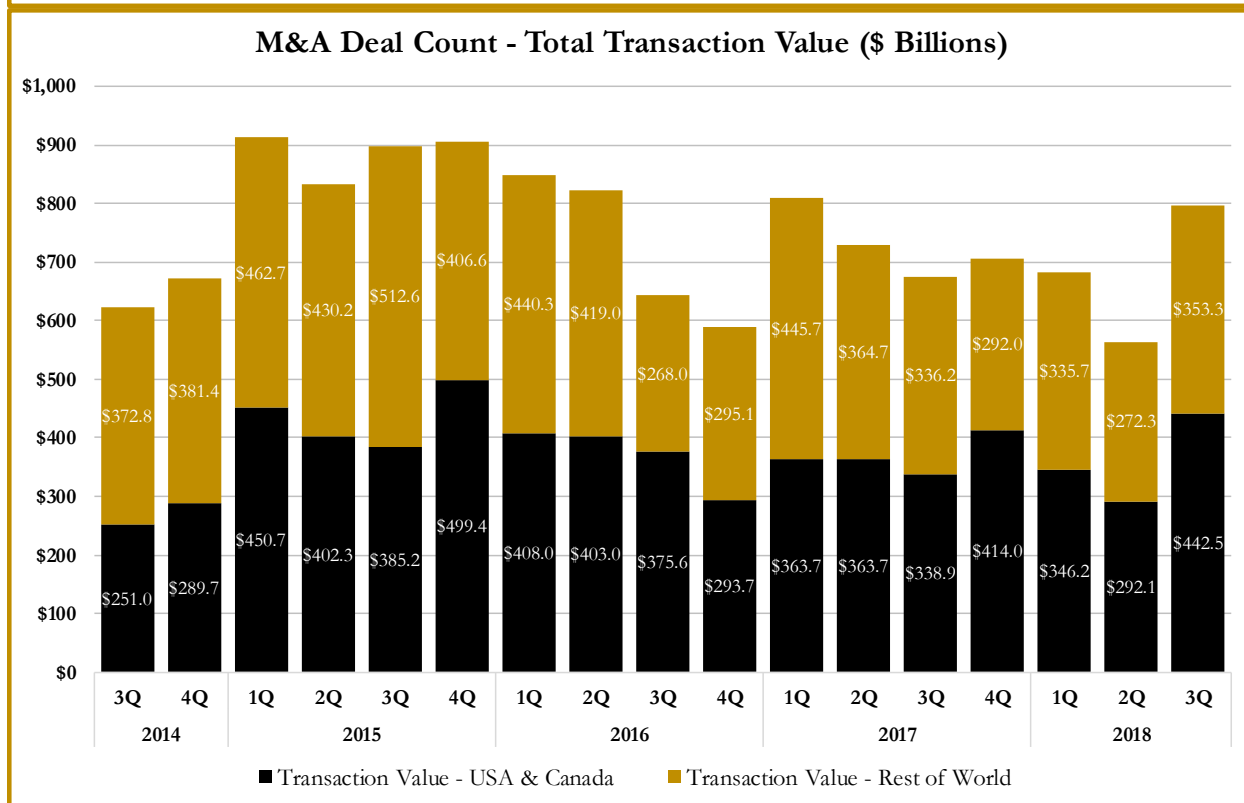
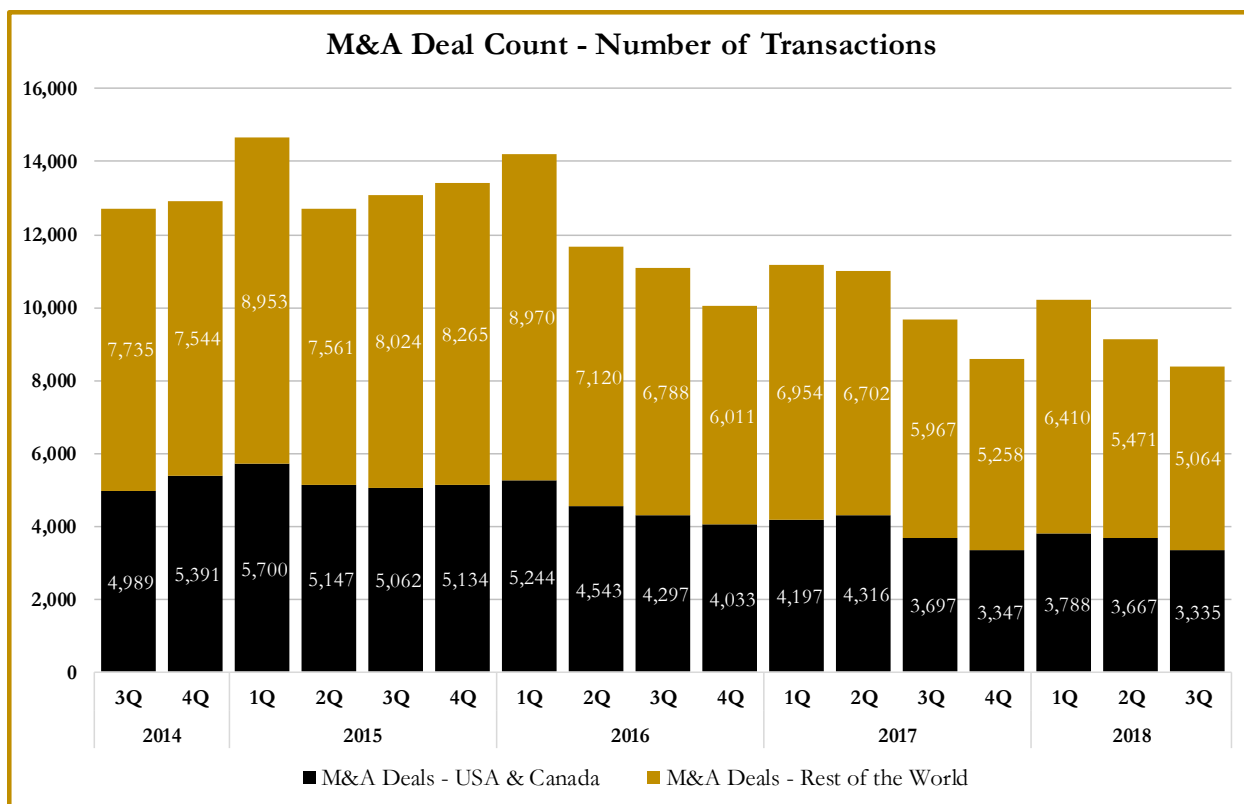
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance
As of September 30, 2018

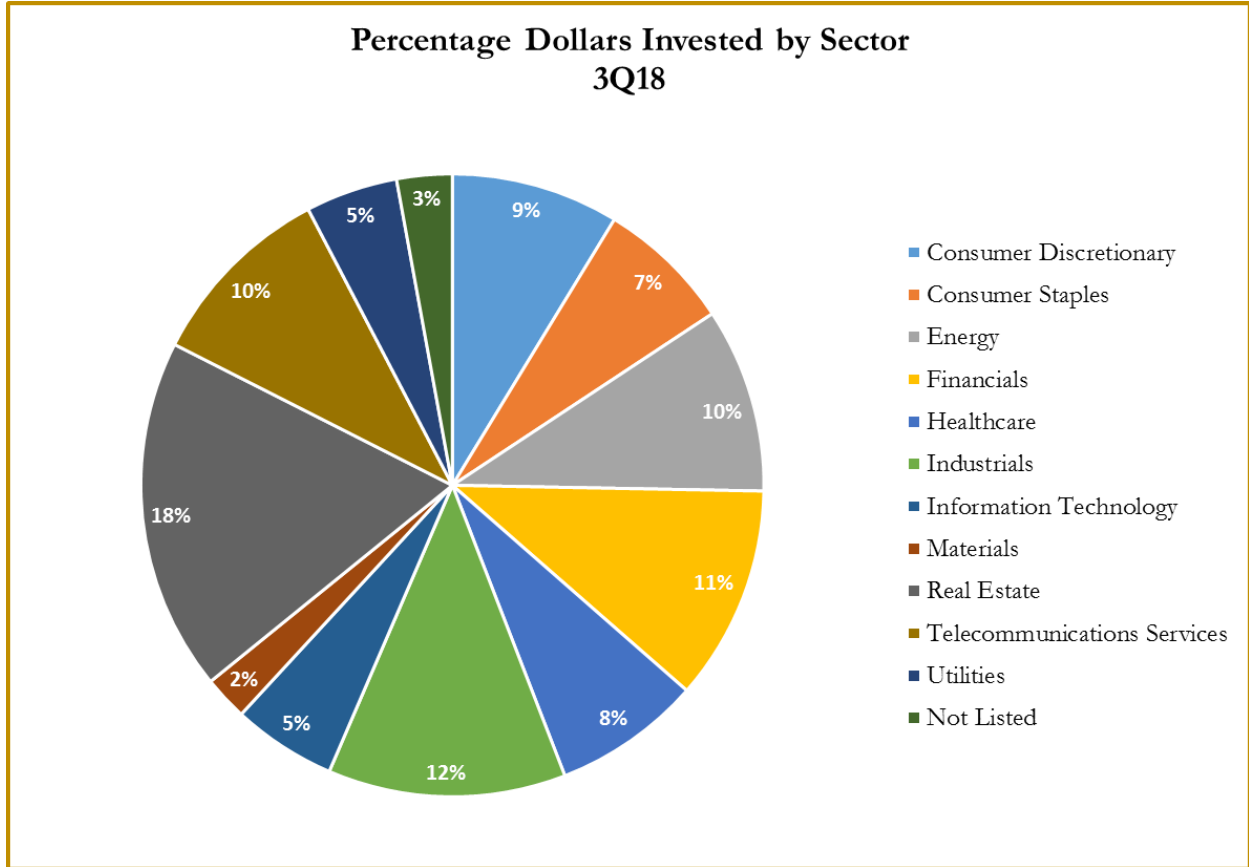


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector As of September 30, 2018



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of September 30, 2018





About Us

Houlihan Capital is a leading, solutions-driven valuation, financial advisory and boutique investment banking firm. We pride ourselves on being thought leaders in an ever-changing landscape.

Houlihan Capital is SOC-compliant, a FINRA and SIPC member and committed to the highest levels of professional ethics and standards.

Valuation & Financial Advisory

We provide an array of services that include enterprise valuations, portfolio valuation, valuation of carried interest, transaction opinions, tax and financial reporting compliance, purchase price allocations, and a wide variety of consulting services through our Financial Advisory Group.

Investment Banking

Through our Investment Banking Group, we offer sell side/buy side advisory and capital raises. Through our Special Situations desk, we provide services that fit outside the archetypal verticals, including liquidity solutions, transactional advisory, and secondary market advisory and trading.

Litigation Support

Our team provides support for a wide variety of situations including commercial and shareholder disputes, derivatives and structured finance litigation, and fraudulent conveyance.

For additional information about our industry expertise and services, visit:

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