



**HOULIHAN
CAPITAL**

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Industry Observations – December 31, 2018

Insurance Industry

Select Insurance Public Company Industry Data As of December 31, 2018

(USD in millions, except per share data)

Company Name	Ticker	Market Data			LTM Operating Data			Forward Estimates			
		Price at 12/31/18	% 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	\$44.64	71.2%	\$4,990.20	\$4,393.17	18.3%	\$0.00	\$5,747.84	\$732.92	\$5,794.33	\$861.55
Stewart Information Services Corporation	STC	\$41.40	87.4%	\$982.87	\$931.74	13.7%	\$1,372.93	\$1,907.67	\$101.22	\$1,933.70	\$134.30
Fidelity National Financial, Inc.	FNF	\$31.44	73.9%	\$8,653.07	\$6,147.98	14.4%	\$9,301.00	\$7,594.00	\$977.00	\$7,512.75	\$1,094.00
Amerisafe, Inc.	AMSF	\$56.69	83.4%	\$1,091.90	\$1,191.48	0.0%	\$1,586.97	\$378.02	\$83.58	\$391.05	\$0.00
Life and Health											
Aflac Incorporated	AFL	\$45.56	94.5%	\$34,683.89	\$42,484.90	19.8%	\$140,406.00	\$21,758.00	\$4,036.00	\$21,730.66	\$0.00
Torchmark Corporation	TMK	\$74.53	79.6%	\$8,313.11	\$11,023.87	26.3%	\$0.00	\$4,304.00	\$964.50	\$4,440.84	\$996.83
Unum Group	UNM	\$29.38	50.0%	\$6,426.83	\$10,470.33	25.6%	\$61,875.60	\$11,598.50	\$894.97	\$12,013.24	\$0.00
Insurance Brokers											
Arthur J. Gallagher & Co.	AJG	\$73.70	93.3%	\$13,535.15	\$17,592.65	44.1%	\$16,334.00	\$6,711.20	\$1,039.40	\$7,087.36	\$1,254.22
Brown & Brown, Inc.	BRO	\$27.56	87.4%	\$7,788.08	\$9,017.62	33.4%	\$6,688.70	\$2,009.90	\$608.90	\$2,332.45	\$699.17
Crawford & Company	CRD.B	\$9.00	87.9%	\$496.20	\$701.35	52.0%	\$731.49	\$1,105.94	\$89.57	\$1,128.09	\$123.96
Marsh & McLennan Companies, Inc.	MMC	\$79.75	89.0%	\$40,170.72	\$50,193.60	43.4%	\$21,578.00	\$14,950.00	\$3,470.00	\$15,752.21	\$3,965.88
Health Insurance Innovations, Inc.	HIHQ	\$26.73	42.3%	\$361.26	\$524.10	0.0%	\$173.39	\$282.98	\$33.44	\$352.52	\$68.37

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 December 31, 2018

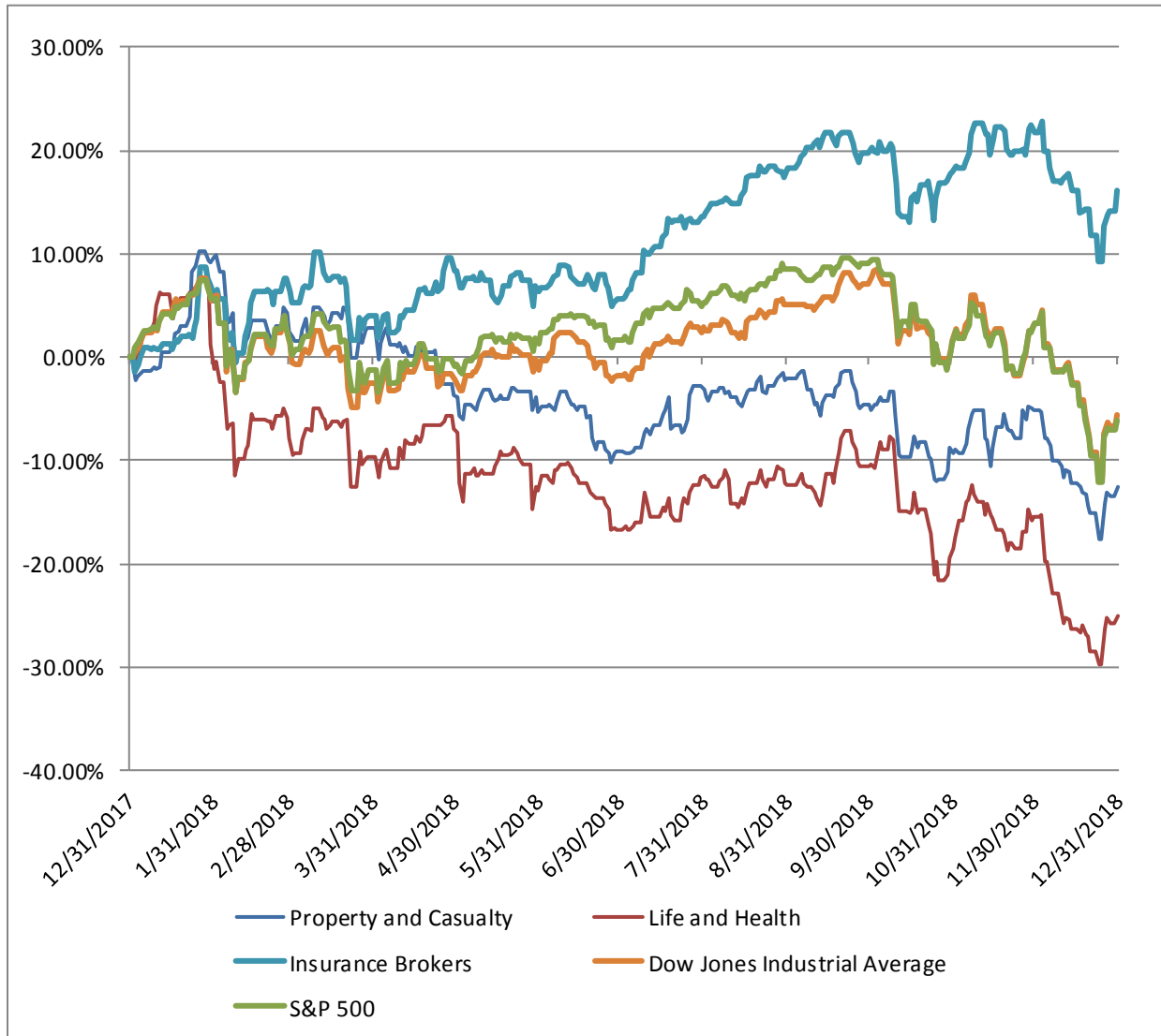
(USD in millions, except per share data)

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	0.0%	13.3%	8.7%	-0.4%	18.3%	12.8%	0.8x	0.8x	6.0x	5.1x
Stewart Information Services Corporation	STC	3.4%	8.7%	6.1%	-2.5%	-10.3%	5.3%	0.5x	0.5x	9.2x	6.9x
Fidelity National Financial, Inc.	FNF	5.4%	13.0%	8.7%	-1.0%	-11.3%	12.9%	0.8x	0.8x	6.3x	5.6x
Amerisafe, Inc.	AMSF	3.3%	11.2%	10.8%	-0.2%	-10.4%	22.1%	3.2x	3.0x	14.3x	N/A
	Mean	3.0%	11.5%	8.6%	-1.0%	-3.4%	13.3%	1.3x	1.3x	8.9x	5.9x
	Median	3.3%	12.1%	8.7%	-0.7%	-10.3%	12.8%	0.8x	0.8x	7.7x	5.6x
Life and Health											
Aflac Incorporated	AFL	1.8%	12.2%	8.3%	-0.2%	-9.3%	18.5%	2.0x	2.0x	10.5x	N/A
Torchmark Corporation	TMK	0.0%	11.9%	7.8%	3.6%	4.2%	22.4%	2.6x	2.5x	11.4x	11.1x
Unum Group	UNM	0.8%	5.8%	4.1%	2.8%	-46.3%	7.7%	0.9x	0.9x	11.7x	N/A
	Mean	0.9%	9.9%	6.8%	2.0%	-17.2%	16.2%	1.8x	1.8x	11.2x	11.1x
	Median	0.8%	11.9%	7.8%	2.8%	-9.3%	18.5%	2.0x	2.0x	11.4x	11.1x
Insurance Brokers											
Arthur J. Gallagher & Co.	AJG	2.5%	15.2%	5.1%	10.9%	13.4%	15.5%	2.6x	2.5x	16.9x	14.0x
Brown & Brown, Inc.	BRO	5.0%	12.3%	7.7%	8.2%	5.1%	30.3%	4.5x	3.9x	14.8x	12.9x
Crawford & Company	CRD.B	5.1%	5.7%	9.2%	2.5%	-12.5%	8.1%	0.6x	0.6x	7.8x	5.7x
Marsh & McLennan Companies, Inc.	MMC	8.9%	22.2%	14.1%	6.6%	4.0%	23.2%	3.4x	3.2x	14.5x	12.7x
Health Insurance Innovations, Inc.	HIHQ	11.2%	17.8%	17.9%	21.8%	-2.8%	11.8%	1.9x	1.5x	15.7x	7.7x
	Mean	6.6%	14.7%	10.8%	10.0%	1.4%	17.8%	2.6x	2.3x	13.9x	10.6x
	Median	5.1%	15.2%	9.2%	8.2%	4.0%	15.5%	2.6x	2.5x	14.8x	12.7x

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 December 31, 2018



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

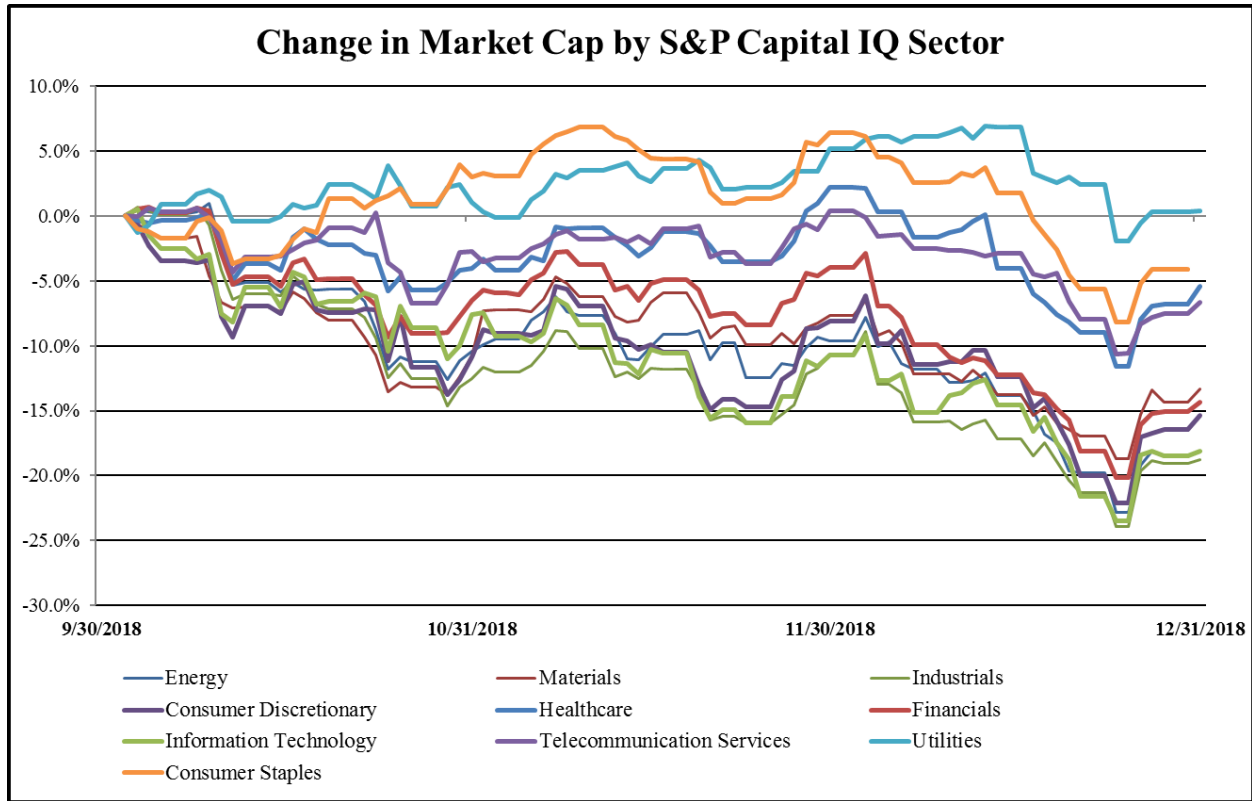
Recent M&A Activity in Insurance Industry December 31, 2017 to December 31, 2018

(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
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
7/2/2018	Infinity Property and Casualty Corporation	Kemper Corporation	Property and Casualty Insurance	\$1,334.57
11/16/2018	Insurance Operations of Hays Companies	BBHG, Inc.	Property and Casualty Insurance	\$705.00
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
10/31/2018	QuoteWizard.com LLC	LendingTree, LLC	Property and Casualty Insurance	\$300.00
3/30/2018	United Life Insurance Company	Kuvare Holdings LLC	Life and Health Insurance	\$280.00
12/27/2018	Maiden Reinsurance North America, Inc.	Enstar Holdings (US), Inc.	Reinsurance	\$272.40
12/31/2017	American International Group, Inc, Medical Stop-Loss	HCC Insurance Holdings Inc.	Property and Casualty Insurance	\$266.23
12/31/2017	Pacific Compensation Corporation	CopperPoint Mutual Insurance Company	Property and Casualty Insurance	\$150.00
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
12/31/2018	All Assets of The Avon-Dixon Agency LLC	Alera Group, Inc.	Insurance Brokers	\$25.20
1/22/2018	Wealth, Health and Life Advisors, LLC	eHealth, Inc.	Insurance Brokers	\$19.87
10/18/2018	Mendota Insurance Company	Premier Holdings, LLC; Advantage Auto MGA,	Property and Casualty Insurance	\$18.46
8/31/2018	Direct Auto Insurance Company	NI Holdings, Inc.	Property and Casualty Insurance	\$17.00
8/16/2018	Wright Specialty Insurance Company, LLC	Sirius America Insurance Company	Property and Casualty Insurance	\$16.90
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
10/26/2018	Substantially All The Assets of David Edwards Insurance	Kimball, Inc	Insurance Brokers	\$4.85
6/1/2018	IJU, 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
12/11/2018	Commercial Solutions of Insurance Agency LLC	Reliance Global Group, Inc.	Insurance Brokers	\$1.20
10/25/2018	Employee Benefits Solutions, LLC/U.S. Benefits Alliance	Ethos Media Network, Inc. (nka:Reliance Global	Life and Health Insurance	\$1.14
12/14/2018	Great Western Life Insurance Company (nka:US Alliance	US Alliance Life And Security Company	Life and Health Insurance	\$0.50
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
11/14/2018	McNeil and Company Insurance Agency, Inc.	INSURICA, Inc.	Insurance Brokers	NA
10/25/2018	Commercial Insurance.NET LLC	INSURICA, Inc.	Insurance Brokers	NA
12/26/2018	H.J. Knight International Insurance Agency, Inc.	The Hilb Group, LLC	Insurance Brokers	NA
12/20/2018	Orchid Underwriters Agency, LLC	TowerBrook Capital Partners L.P.	Property and Casualty Insurance	NA
12/19/2018	Pointer Insurance Agency, Inc.	Arthur J. Gallagher & Co.	Insurance Brokers	NA
12/17/2018	Benefit Administration Group	NFP Corp.	Insurance Brokers	NA
12/17/2018	Preston-Patterson Co., Inc.	Arthur J. Gallagher & Co.	Insurance Brokers	NA
12/14/2018	Libertate Insurance LLC/RiskMD LLC	Ballator Insurance Group, Inc.	Insurance Brokers	NA
12/12/2018	Texas Auto Insurance Agency Inc	Confie Seguros, Inc.	Insurance Brokers	NA
12/12/2018	Affiliated Insurance Services, Inc.	Confie Seguros, Inc.	Insurance Brokers	NA
12/12/2018	Torres Insurance Agency, Inc.	Confie Seguros, Inc.	Multi-line Insurance	NA
12/12/2018	Just Insurance & Tags Inc.	Confie Seguros, Inc.	Property and Casualty Insurance	NA
12/12/2018	Assets of Dadgar Insurance Agency, Inc.	HUB International Limited	Insurance Brokers	NA
12/12/2018	Mackintire Insurance Agency, Inc.	The Hilb Group, LLC	Insurance Brokers	NA
12/12/2018	Travel Care Services Corporation	Healthcase	Life and Health Insurance	NA
12/12/2018	Levite E. Rossignol, Inc.	F. A. Peabody Company, Inc.	Insurance Brokers	NA
12/11/2018	Otis-Magie Insurance Agency, Inc.	Marsh & McLennan Agency LLC	Insurance Brokers	NA
12/11/2018	Albert Burak Insurance Agency	Kaplansky Insurance Agency, Inc.	Insurance Brokers	NA
12/11/2018	Assets of Nolen Associates, Inc.	HUB International Limited	Insurance Brokers	NA
12/1/2018	Huckaby & Associates, Inc.	The Hilb Group, LLC	Property and Casualty Insurance	NA
12/10/2018	Captive Insurance Company Design and Operations	Arthur J. Gallagher & Co.	Insurance Brokers	NA
11/1/2018	Superior Benefit Plans, LLC	First Bucks LLC	Insurance Brokers	NA
12/7/2018	Substantially All of the Assets of Dealer Associates, Inc.	Brown & Brown of Kentucky, Inc.	Insurance Brokers	NA
12/7/2018	Aviation Business of AOPA Insurance Agency, Inc.	AssuredPartners, Inc.	Insurance Brokers	NA
12/6/2018	The Wladis Companies, Inc.	OneDigital Health and Benefits, Inc.	Insurance Brokers	NA
12/3/2018	Time Insurance Company (nka:Time Insurance Company	Haven Holdings Inc.	Life and Health Insurance	NA
1/3/2018	Protector Holdings, LLC	Pronto General Agency, Ltd.	Insurance Brokers	NA
12/5/2018	Carriage Insurance Agency, Inc.	AssuredPartners, Inc.	Multi-line Insurance	NA
12/5/2018	The Diedrich Agency, Inc.	Vizance, Inc.	Insurance Brokers	NA

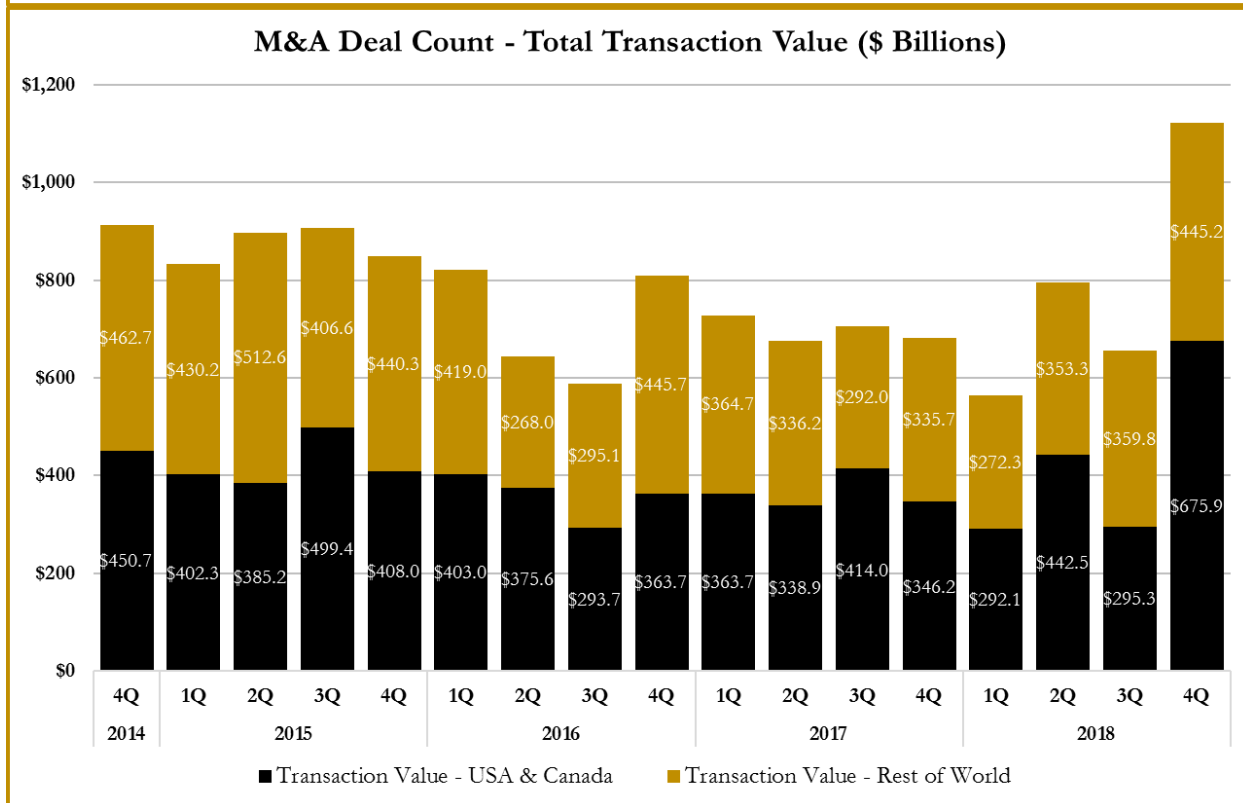
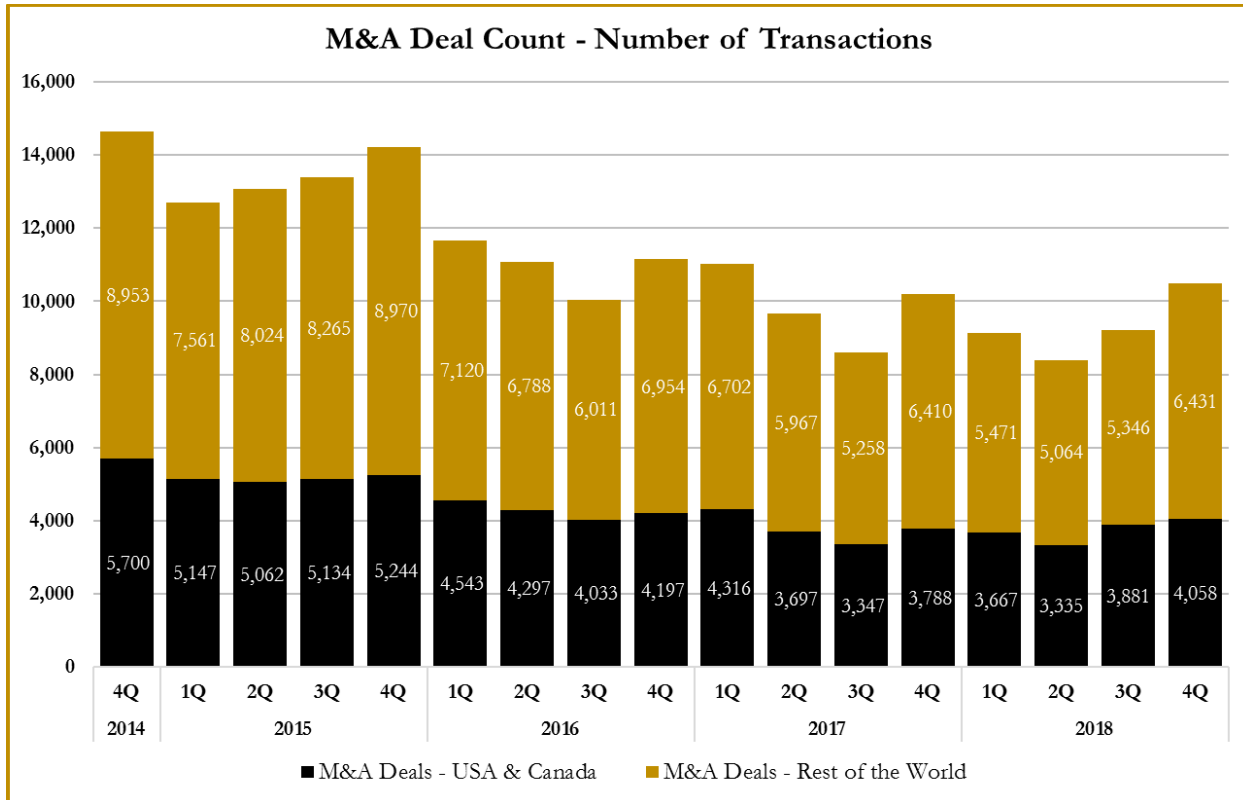
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance
As of December 31, 2018

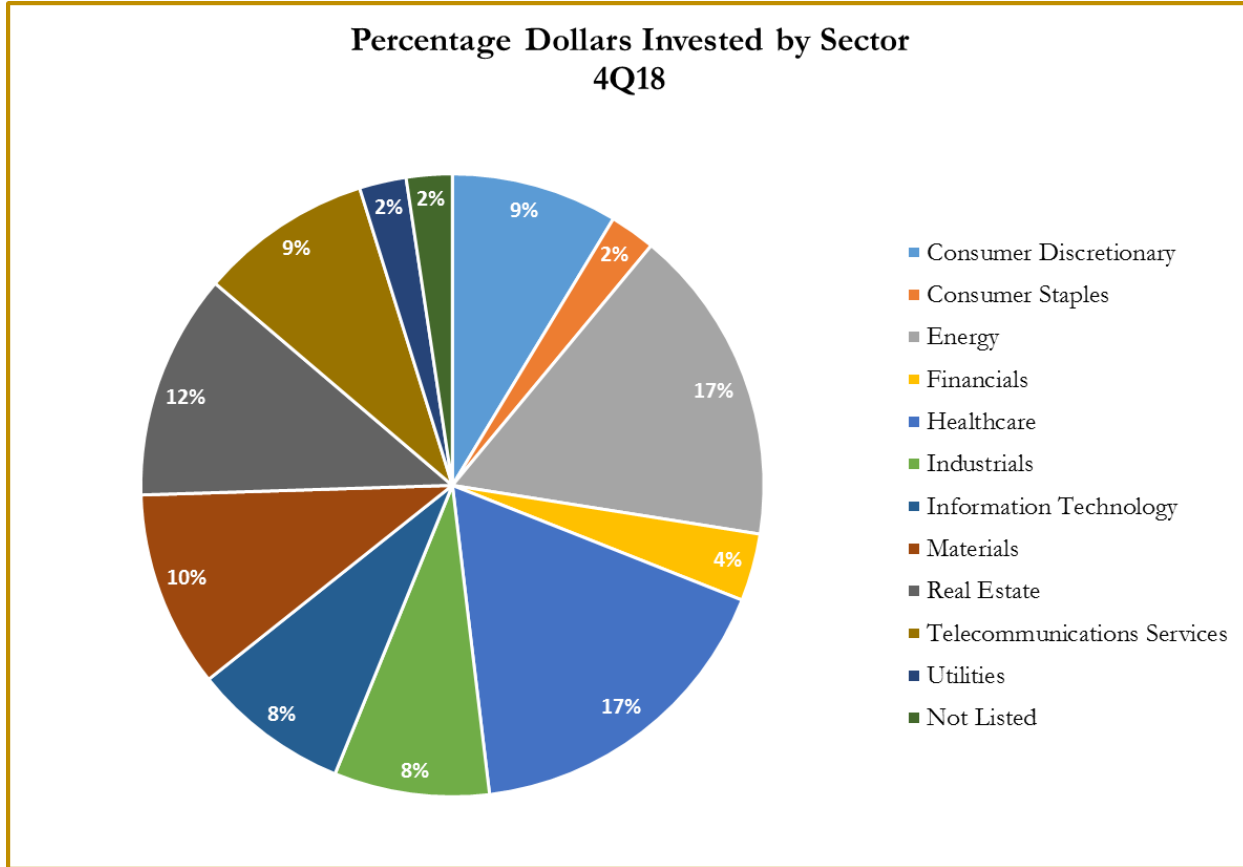


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector
As of December 31, 2018



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of December 31, 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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