



**HOULIHAN  
CAPITAL**

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Industry Observations – March 31, 2019

## Insurance Industry

## Select Insurance Public Company Industry Data As of March 31, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data			LTM Operating Data			Forward Estimates			
		Price at 03/31/19	% of 52 Week High	Equity Value	Enterprise Value	Debt / Total Capital	Total Assets	LTM Revenue	LTM EBITDA	CY 2019 Revenue Estimate	CY 2019 EBITDA Estimate
<b>Property and Casualty</b>											
First American Financial Corporation	FAF	\$51.50	87.7%	\$5,741.02	\$5,563.42	17.8%	\$10,630.64	\$5,747.84	\$791.64	\$5,849.03	\$874.65
Stewart Information Services Corporation	STC	\$42.69	93.3%	\$1,012.82	\$999.85	13.7%	\$1,372.93	\$1,907.67	\$116.95	\$1,935.10	\$138.20
Fidelity National Financial, Inc.	FNF	\$36.55	88.3%	\$10,063.36	\$11,048.89	14.4%	\$9,301.00	\$7,592.00	\$973.00	\$7,490.60	\$1,092.00
Amenisafe, Inc.	AMSF	\$59.40	87.4%	\$1,144.29	\$1,090.76	0.0%	\$1,515.93	\$377.75	\$88.58	\$371.80	\$0.00
<b>Life and Health</b>											
Aflac Incorporated	AFL	\$50.00	98.7%	\$37,442.49	\$39,127.73	22.5%	\$140,406.00	\$21,758.00	\$4,254.00	\$21,768.52	\$0.00
Torchmark Corporation	TMK	\$81.95	91.4%	\$9,040.18	\$11,333.21	23.5%	\$0.00	\$4,352.75	\$984.25	\$4,509.59	\$1,009.82
Unum Group	UNM	\$33.83	68.6%	\$7,260.79	\$10,648.08	25.7%	\$61,875.60	\$11,598.50	\$896.50	\$12,021.36	\$0.00
<b>Insurance Brokers</b>											
Arthur J. Gallagher & Co.	AJG	\$78.10	96.3%	\$14,466.05	\$17,969.77	44.1%	\$16,334.00	\$6,711.20	\$1,039.40	\$7,425.39	\$1,245.97
Brown & Brown, Inc.	BRO	\$29.51	93.5%	\$8,316.78	\$9,670.68	33.4%	\$6,688.67	\$2,009.86	\$608.83	\$2,330.51	\$688.16
Crawford & Company	CRD.B	\$9.13	86.5%	\$489.52	\$598.97	51.3%	\$701.44	\$1,070.97	\$93.98	\$1,108.18	\$125.44
Marsh & McLennan Companies, Inc.	MMC	\$93.90	98.9%	\$47,660.07	\$52,399.71	43.4%	\$21,578.00	\$14,950.00	\$3,470.00	\$16,935.86	\$4,000.17
Health Insurance Innovations, Inc.	HIQ	\$26.82	42.5%	\$338.93	\$316.37	9.5%	\$432.49	\$351.10	\$37.15	\$433.92	\$73.76

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 March 31, 2019

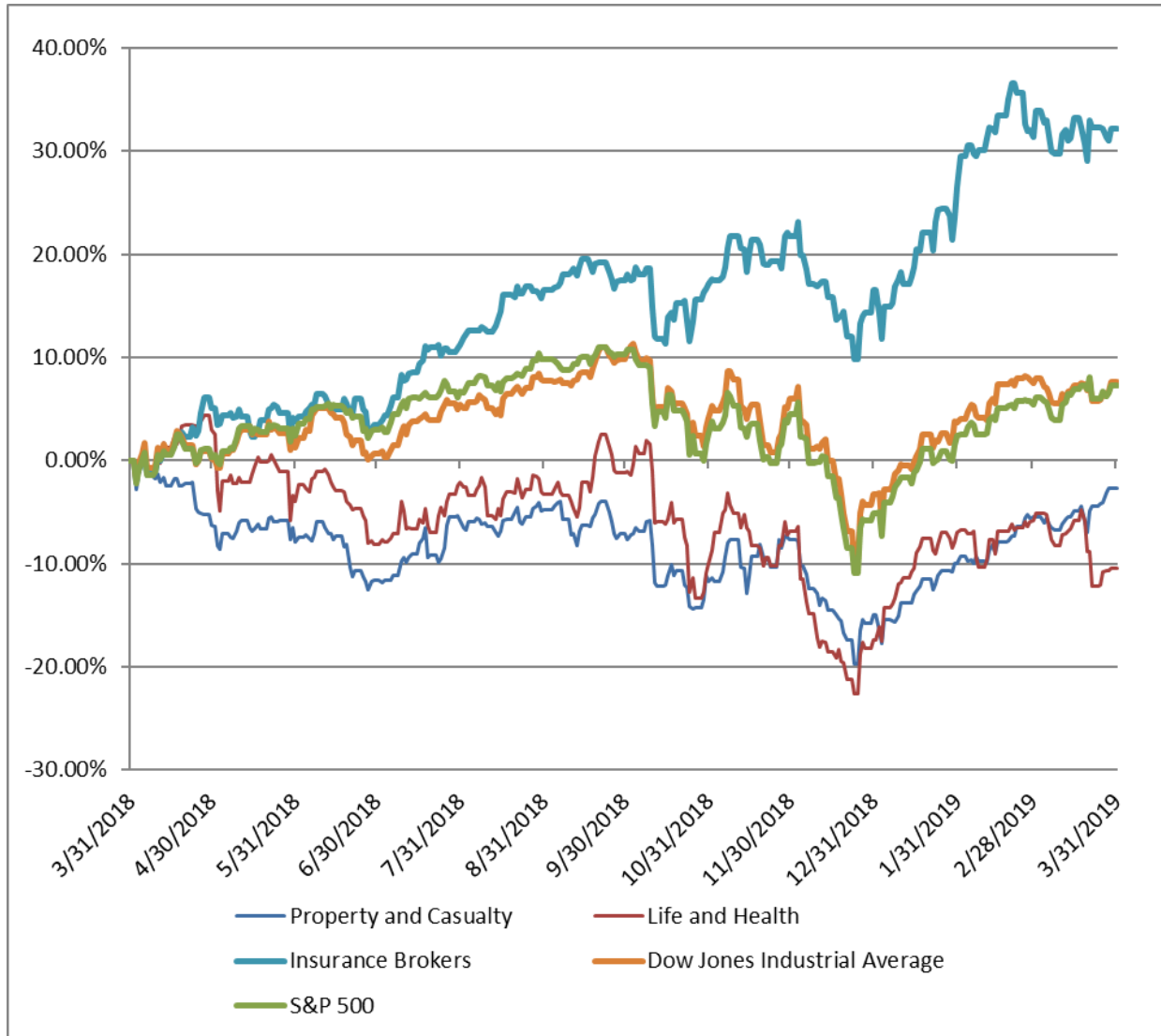
(USD in millions, except per share data)

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 2019 Revenue	TEV/ LTM EBITDA	TEV/ CY 2019 EBITDA
<b>Property and Casualty</b>											
First American Financial Corporation											
	FAF	4.1%	13.2%	9.5%	-0.4%	27.8%	13.8%	1.0x	1.0x	7.0x	6.4x
Stewart Information Services Corporation											
	STC	4.1%	8.7%	7.3%	-2.5%	3.7%	6.1%	0.5x	0.5x	8.5x	7.2x
Fidelity National Financial, Inc.											
	FNF	5.4%	13.0%	8.7%	-1.0%	-11.6%	12.8%	1.5x	1.5x	11.4x	10.1x
Amerisafe, Inc.											
	AMSF	3.6%	17.2%	13.1%	0.7%	6.4%	23.4%	2.9x	2.9x	12.3x	N/A
	Mean	4.3%	13.0%	9.6%	-0.8%	6.6%	14.0%	1.5x	1.5x	9.8x	7.9x
	Median	4.1%	13.1%	9.1%	-0.7%	5.1%	13.3%	1.2x	1.2x	10.0x	7.2x
<b>Life and Health</b>											
Aflac Incorporated											
	AFL	1.9%	12.2%	8.6%	0.4%	-1.3%	19.6%	1.8x	1.8x	9.2x	N/A
Torchmark Corporation											
	TMK	0.0%	0.0%	8.4%	3.6%	3.8%	22.6%	2.6x	2.5x	11.5x	11.2x
Unum Group											
	UNM	0.8%	5.8%	4.1%	2.8%	-46.2%	7.7%	0.9x	0.9x	11.9x	N/A
	Mean	0.9%	6.0%	7.1%	2.3%	-14.6%	16.6%	1.8x	1.7x	10.9x	11.2x
	Median	0.8%	5.8%	8.4%	2.8%	-1.3%	19.6%	1.8x	1.8x	11.5x	11.2x
<b>Insurance Brokers</b>											
Arthur J. Gallagher & Co.											
	AJG	2.5%	15.2%	5.1%	10.9%	13.4%	15.5%	2.7x	2.4x	17.3x	14.4x
Brown & Brown, Inc.											
	BRO	5.0%	12.3%	7.7%	8.2%	5.1%	30.3%	4.8x	4.1x	15.9x	14.1x
Crawford & Company											
	CRDB	5.9%	13.7%	11.1%	-3.2%	-10.6%	8.8%	0.6x	0.5x	6.4x	4.8x
Marsh & McLennan Companies, Inc.											
	MMC	8.9%	22.2%	14.1%	6.6%	4.0%	23.2%	3.5x	3.1x	15.1x	13.1x
Health Insurance Innovations, Inc.											
	HIHQ	7.3%	15.1%	16.5%	40.2%	8.8%	10.6%	0.9x	0.7x	8.5x	4.3x
	Mean	5.9%	15.7%	10.9%	12.6%	4.2%	17.7%	2.5x	2.2x	12.6x	10.1x
	Median	5.9%	15.1%	11.1%	8.2%	5.1%	15.5%	2.7x	2.4x	15.1x	13.1x

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 March 31, 2019



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

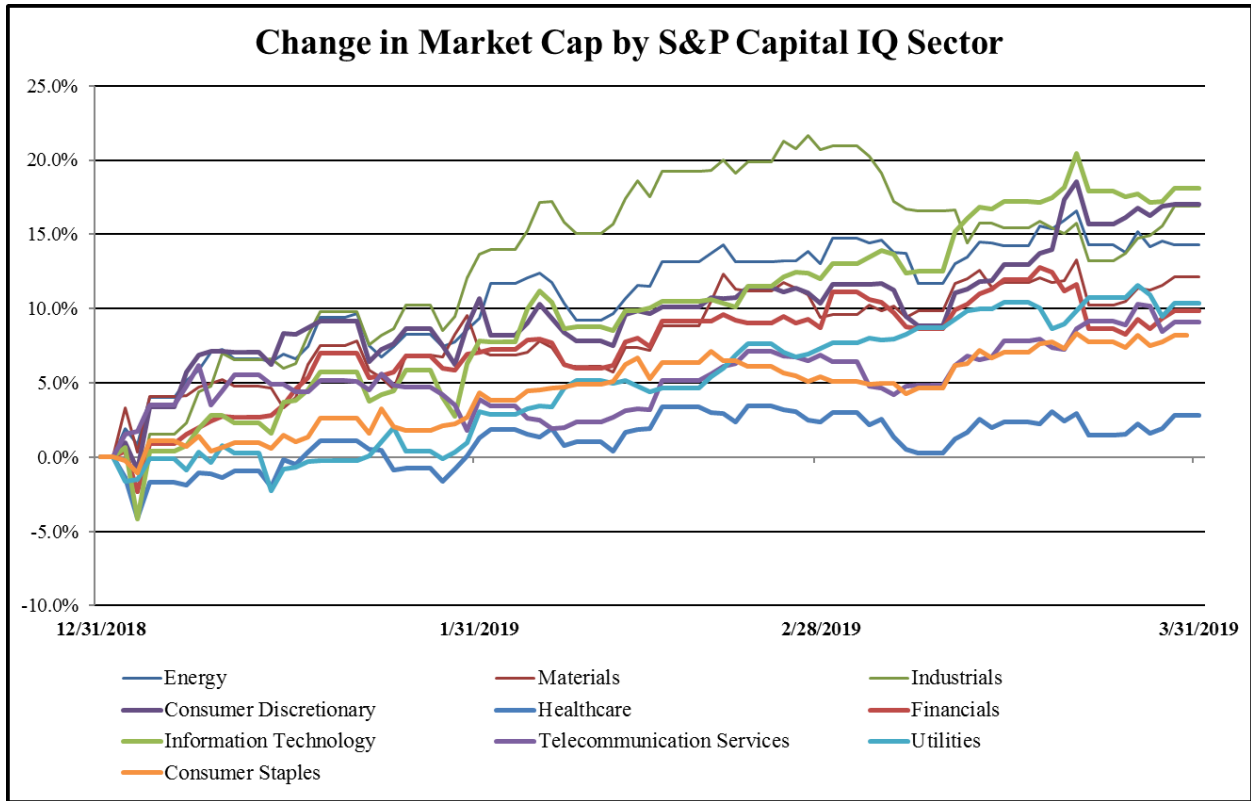
## Recent M&A Activity in Insurance Industry March 31, 2018 to March 31, 2019

(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
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
11/15/2018	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
12/27/2018	Maiden Reinsurance North America, Inc.	Enstar Holdings (US), Inc.	Reinsurance	\$272.40
1/31/2019	Ozark National Life Insurance Inc./N.I.S. Financial	National Western Life Insurance Company	Life and Health Insurance	\$181.00
7/6/2018	Reassurance Holdings, Inc.	Arthur J. Gallagher & Co.	Insurance Brokers	\$122.10
10/1/2018	Grange Life Insurance Company	Kansas City Life Insurance Company	Life and Health Insurance	\$75.00
11/30/2018	ABA Insurance Services Inc.	American Financial Group, Inc.	Insurance Brokers	\$28.00
12/31/2018	All Assets of The Avon-Dixon Agency LLC	Alera Group, Inc.	Insurance Brokers	\$25.20
1/2/2019	Benefit Consultants Group, Inc.	Horace Mann Educators Corporation	Life and Health Insurance	\$25.00
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
3/4/2019	Cornerstone National Insurance Company	Cfm Insurance, Inc.	Property and Casualty Insurance	\$5.34
10/26/2018	Substantially All The Assets of David Edwards Insurance	Kimball, Inc.	Insurance Brokers	\$4.85
1/15/2019	IJU, Inc.	LM Funding America, Inc.	Insurance Brokers	\$3.58
6/1/2018	IJU, Inc.	Craven House Capital Plc	Insurance Brokers	\$2.50
5/31/2018	Wallach & Company, Inc.	IJU, Inc.	Insurance Brokers	\$2.50
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
8/9/2018	Kanawha Insurance Company	Continental General Insurance Company	Life and Health Insurance	\$0.01
3/29/2019	Alacity Services, LLC	Worley Claims Services, LLC	Insurance Brokers	NA
3/29/2019	GoodWorks Insurance, LLC	AssuredPartners, Inc.	Insurance Brokers	NA
3/27/2019	Phalanx Healthcare Solutions, LLC (nka:Phalanx	Alera Group, Inc.	Insurance Brokers	NA
3/26/2019	Assets of Prey Insurance Services, LLC	Seeman Holtz Property and Casualty, Inc.	Insurance Brokers	NA
3/25/2019	McLean Insurance Agency, Inc.	Arthur J. Gallagher & Co.	Insurance Brokers	NA
3/22/2019	Kaercher Campbell & Associates Insurance Brokerage LLC	Seeman Holtz Property and Casualty, Inc.	Insurance Brokers	NA
3/18/2019	Gardner Wallace Financial Solutions, LLC	Kestra Financial, Inc.	Insurance Brokers	NA
3/15/2019	Medval, LLC	The Advocate Group, LLC	Insurance Brokers	NA
3/15/2019	KMI Insurance LLC	Hanson Insurance Agency, Inc.	Insurance Brokers	NA
3/14/2019	Substantially All Assets of Cossio Insurance Agency LLC	Brown & Brown of South Carolina, Inc.	Insurance Brokers	NA
3/13/2019	Lykes Insurance, INC.	Baldwin Krystyn Sherman Partners, LLC	Insurance Brokers	NA
3/13/2019	Hammerberg Insurance Services, Inc.	Arthur J. Gallagher & Co.	Multi-line Insurance	NA
3/13/2019	The Seaport Title Agency Ltd	LandStar Title Agency Inc	Property and Casualty Insurance	NA
3/12/2019	Krauter & Company	RSC Insurance Brokerage, Inc.	Insurance Brokers	NA
3/12/2019	Marsh-Kemp Insurance Agency Inc.	The Hilb Group, LLC	Insurance Brokers	NA
3/12/2019	Assets of Insurance Programs Of America, Inc. and Risk	Specialty Program Group LLC	Insurance Brokers	NA
3/12/2019	Dohmann Insurance Agency Inc. (nka:Dohmann	Alera Group, Inc.	Insurance Brokers	NA
3/11/2019	Merit Insurance, Inc.	Arthur J. Gallagher & Co.	Insurance Brokers	NA
3/11/2019	The Insurance Exchange, Inc.	HUB International Limited	Insurance Brokers	NA
3/11/2019	Dority Insurance & Financial Services, Inc.	DiBuduo & DeFendis Insurance Brokers, LLC	Insurance Brokers	NA
3/8/2019	Substantially All of the Assets of Austin & Austin	Brown & Brown, Inc.	Insurance Brokers	NA
3/8/2019	Duffy & Livingston, LLC	AssuredPartners, Inc.	Insurance Brokers	NA
3/7/2019	Merit Life Insurance Company	Brickell Insurance Holdings LLC	Life and Health Insurance	NA
3/6/2019	Pets Best Insurance Services, LLC	CareCredit, LLC	Life and Health Insurance	NA
3/5/2019	Robert J. Cappadona Insurance Agency	WTPhelan & Co	Insurance Brokers	NA
3/5/2019	Villane Ward Insurance Services, Inc.	Relation Insurance, Inc.	Insurance Brokers	NA
3/4/2019	Geminus Holding Company, Inc.	Kingsway Financial Services Inc.	Property and Casualty Insurance	NA
3/4/2019	Wright Insurance Agency	NFP Corp.	Insurance Brokers	NA
3/4/2019	Employee Benefits Group, Inc.	Marsh & McLennan Agency LLC	Insurance Brokers	NA
3/4/2019	CTS Insurance Agency LLC	Reliance Partners, LLC	Insurance Brokers	NA
3/4/2019	Assets and Operations of Steves, Myron F & Company	R-T Specialty, LLC	Insurance Brokers	NA
3/4/2019	Flood Insurance Agency	AmWINS Group, Inc.	Insurance Brokers	NA

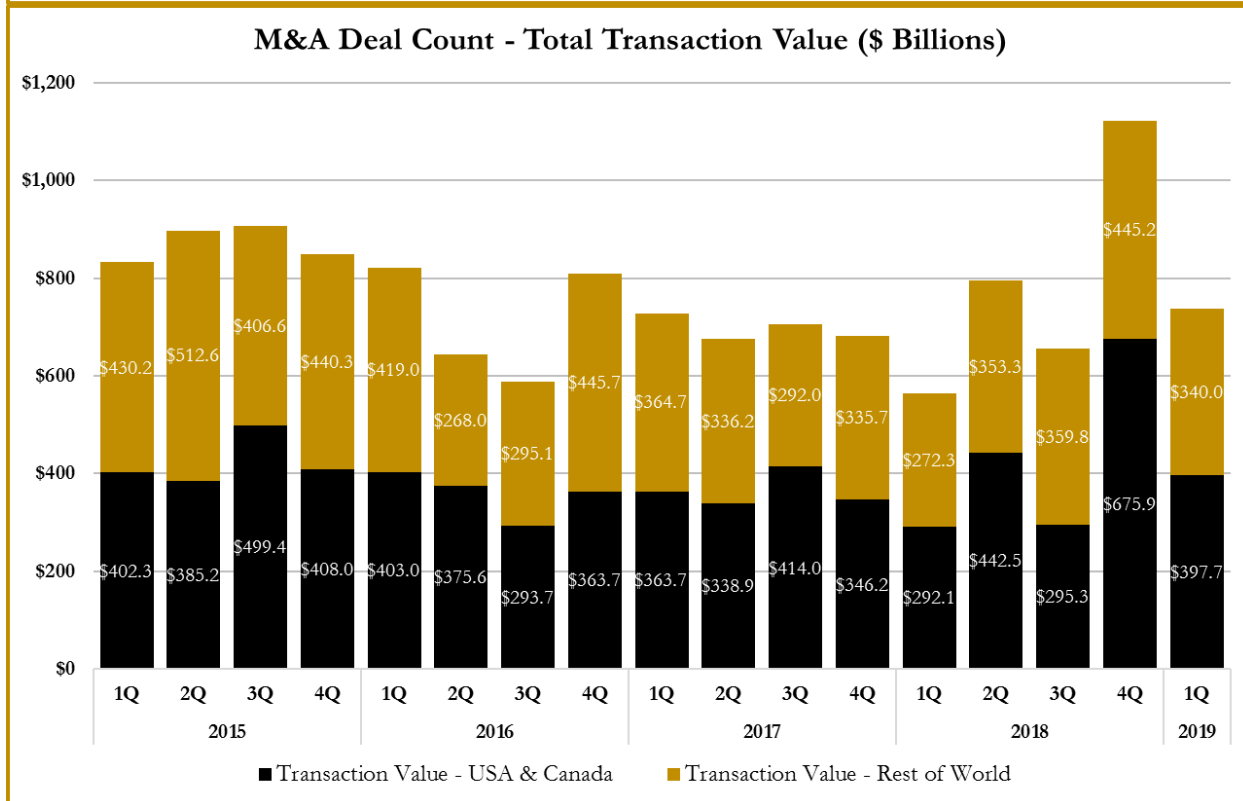
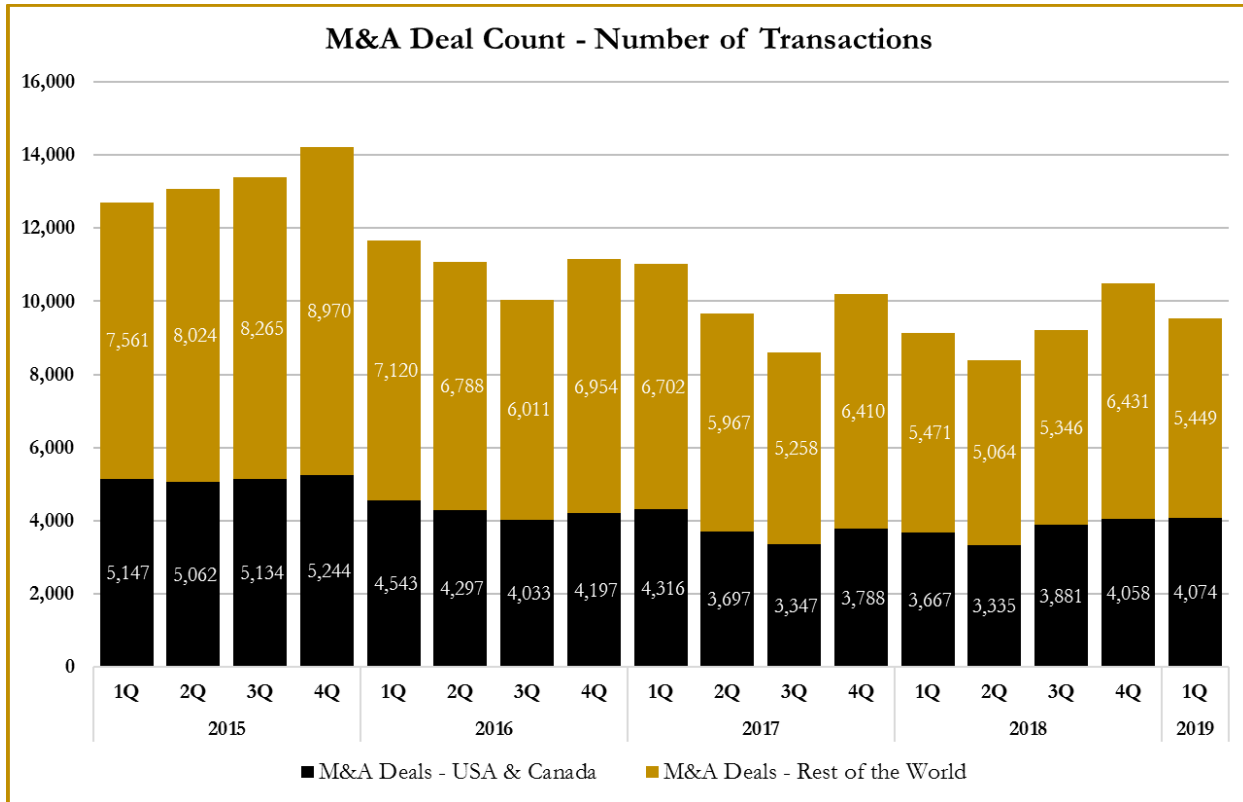
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance  
As of March 31, 2019

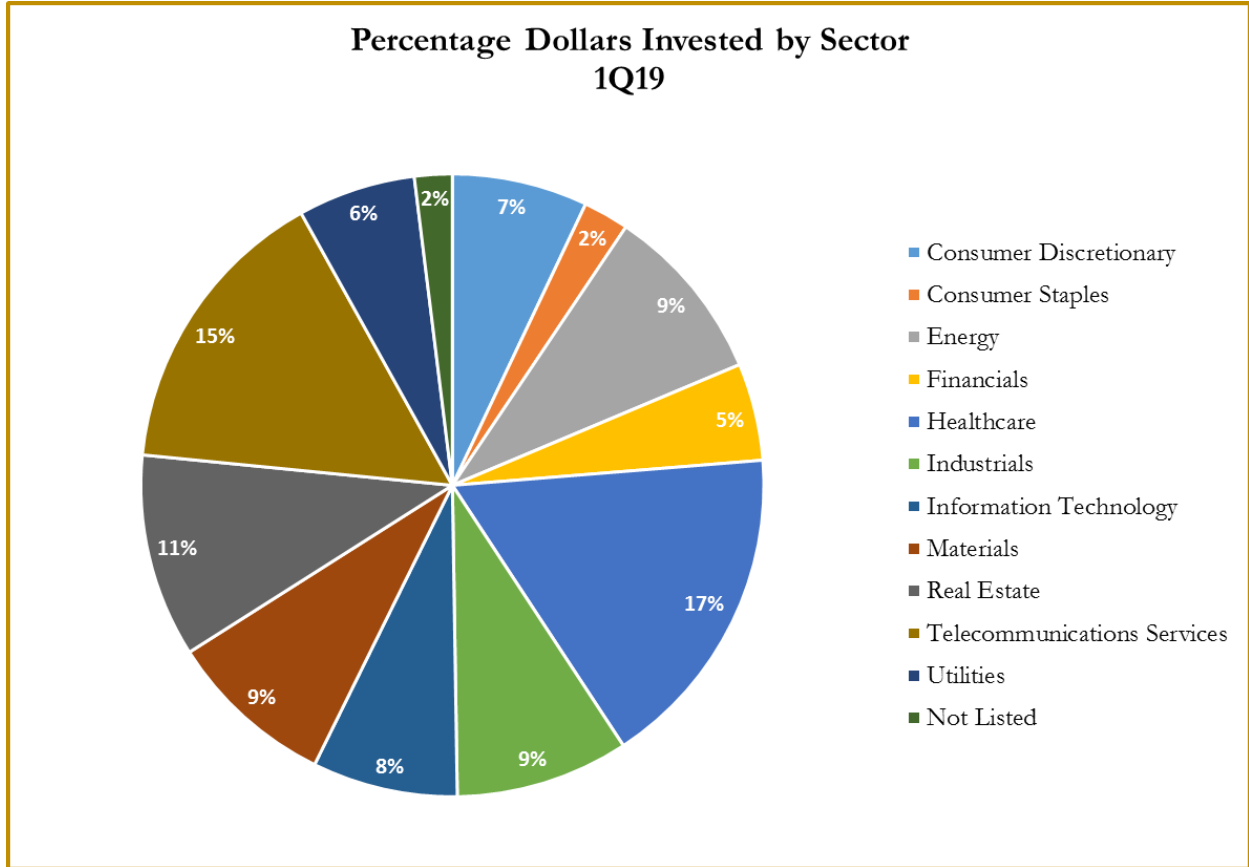


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of March 31, 2019



M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of March 31, 2019







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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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**Andrew Smith**

asmith@houlihancapital.com  
312.450.8610

**Paul Clark**

pclark@houlihancapital.com  
312.450.8656

**Michael Norton**

mnorton@houlihancapital.com  
312.450.8628

**Monica Blocker**

mblocker@houlihancapital.com  
312.450.8699

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