



**HOULIHAN  
CAPITAL**

*Value. Added.*



Industry Observations – June 30, 2019

## Insurance Industry

## Select Insurance Public Company Industry Data As of June 30, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 06/30/19	% 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	\$53.70	92.1%	\$6,019.70	\$6,119.86	23.5%	\$0.00	\$5,761.50	\$872.84	\$5,937.15	\$929.75
Stewart Information Services Corporation	STC	\$40.49	88.5%	\$965.54	\$1,007.89	23.8%	\$1,477.04	\$1,848.17	\$111.24	\$1,870.55	\$122.50
Fidelity National Financial, Inc.	FNF	\$40.30	97.3%	\$11,076.40	\$12,211.56	19.3%	\$10,189.00	\$7,655.00	\$1,199.00	\$7,999.67	\$1,359.00
Amerisafe, Inc.	AMSF	\$63.77	93.8%	\$1,228.80	\$1,224.21	0.1%	\$1,558.98	\$378.77	\$92.99	\$370.48	\$0.00
<b>Life and Health</b>											
Aflac Incorporated	AFL	\$54.81	98.5%	\$40,859.16	\$44,173.69	23.2%	\$145,679.00	\$21,951.00	\$4,515.00	\$21,947.07	\$0.00
Torchmark Corporation	TMK	\$89.46	98.0%	\$9,835.28	\$11,574.03	21.4%	\$0.00	\$4,398.22	\$983.58	\$4,527.62	\$1,023.39
Prudential Financial, Inc.	PRU	\$101.00	94.7%	\$41,006.00	\$63,976.30	39.8%	\$849,324.00	\$64,638.00	\$6,119.50	\$56,295.10	\$0.00
MetLife, Inc.	MET	\$49.67	98.6%	\$47,204.85	\$129,870.10	62.1%	\$713,188.00	\$69,412.00	\$7,802.75	\$64,753.34	\$0.00
CNO Financial Group, Inc.	CNO	\$16.68	74.0%	\$2,668.79	\$6,100.39	51.3%	\$32,314.40	\$4,328.70	\$133.80	\$3,839.23	\$0.00
Unum Group	UNM	\$33.55	81.3%	\$7,108.60	\$10,042.11	25.4%	\$63,921.70	\$11,686.50	\$913.40	\$12,012.07	\$2,055.42
<b>Insurance Brokers</b>											
Arthur J. Gallagher & Co.	AJG	\$87.59	98.9%	\$16,226.22	\$20,943.73	48.3%	\$18,631.40	\$6,806.70	\$1,076.70	\$7,348.73	\$1,308.59
Brown & Brown, Inc.	BRO	\$33.50	100.0%	\$9,448.42	\$11,382.83	34.2%	\$7,164.80	\$2,227.86	\$680.43	\$2,370.06	\$723.71
Crawford & Company	CRD.B	\$9.31	88.2%	\$502.22	\$820.22	65.7%	\$804.25	\$1,044.93	\$87.13	\$1,046.02	\$123.08
eHealth, Inc.	EHTH	\$86.10	99.8%	\$1,950.08	\$1,859.18	5.8%	\$571.24	\$277.10	\$30.42	\$330.34	\$58.60
Marsh & McLennan Companies, Inc.	MMC	\$99.75	99.6%	\$51,006.58	\$66,073.02	65.1%	\$30,137.00	\$15,021.00	\$3,518.00	\$16,725.10	\$4,087.04
Health Insurance Innovations, Inc.	HIHQ	\$25.92	41.1%	\$315.26	\$348.54	39.8%	\$443.14	\$362.49	\$30.79	\$453.17	\$82.87

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 June 30, 2019

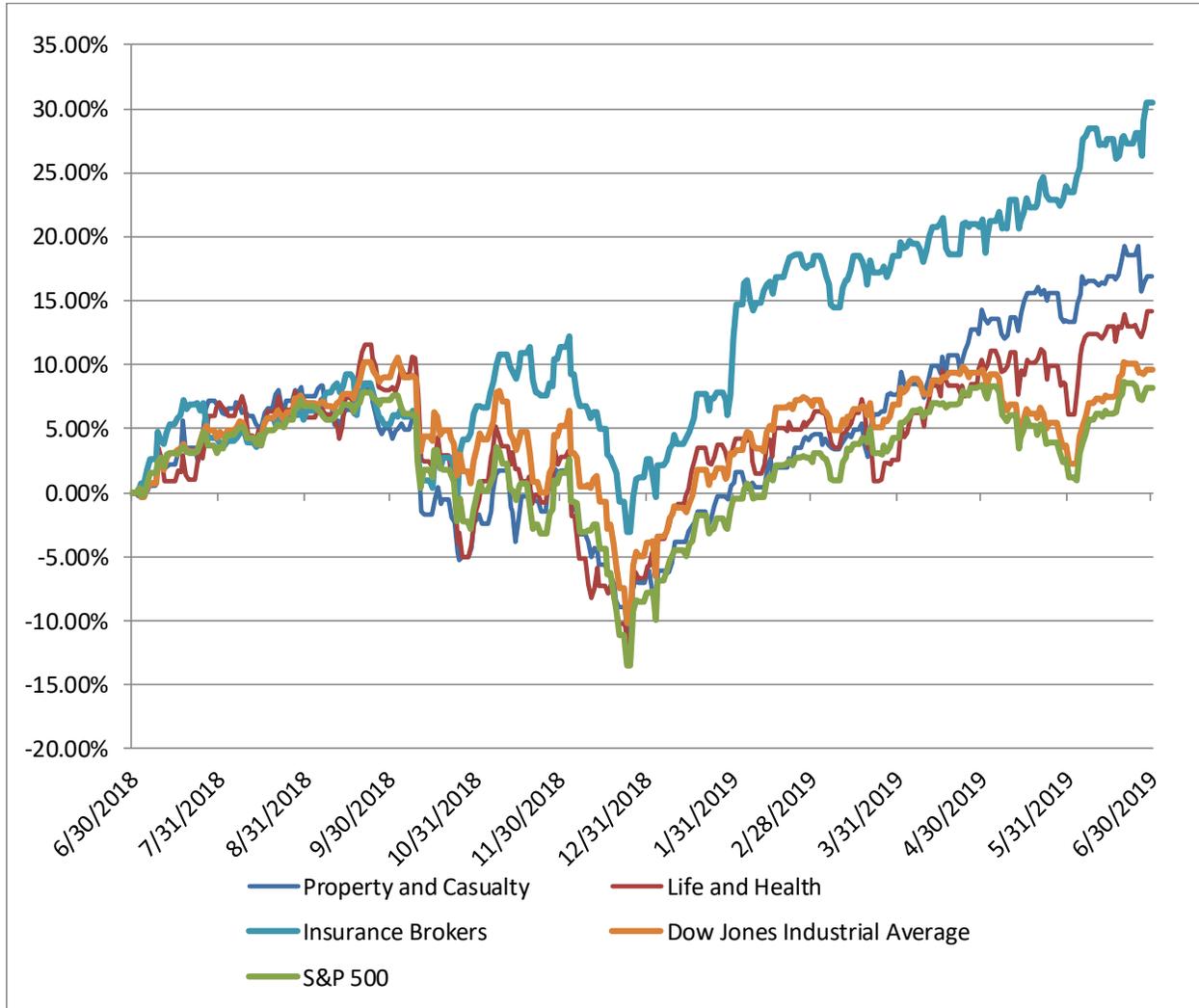
(USD in millions, except per share data)

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	0.0%	0.0%	9.8%	-0.5%	34.6%	15.1%	1.1x	1.0x	7.0x	6.6x
Stewart Information Services Corporation	STC	3.8%	7.7%	6.4%	-5.5%	4.6%	6.0%	0.5x	0.5x	9.1x	8.2x
Fidelity National Financial, Inc.	FNF	6.6%	14.8%	10.4%	-1.5%	10.1%	15.7%	1.6x	1.5x	10.2x	9.0x
Amerisafe, Inc.	AMSF	3.7%	17.4%	13.3%	1.9%	10.9%	24.6%	3.2x	3.3x	13.2x	N/A
	Mean	3.5%	10.0%	10.0%	-1.4%	15.1%	15.3%	1.6x	1.6x	9.9x	7.9x
	Median	3.8%	11.3%	10.1%	-1.0%	10.5%	15.4%	1.3x	1.3x	9.6x	8.2x
<b>Life and Health</b>											
Aflac Incorporated	AFL	1.9%	12.4%	8.1%	0.6%	2.9%	20.6%	2.0x	2.0x	9.8x	N/A
Torchmark Corporation	TMK	0.0%	0.0%	8.2%	3.3%	1.0%	22.4%	2.6x	2.6x	11.8x	11.3x
Prudential Financial, Inc.	PRU	0.4%	6.8%	4.2%	7.9%	-24.5%	9.5%	1.0x	1.1x	10.5x	N/A
MetLife, Inc.	MET	0.7%	9.1%	3.2%	11.7%	30.8%	11.2%	1.9x	2.0x	16.6x	N/A
CNO Financial Group, Inc.	CNO	-0.3%	-8.2%	-1.1%	2.2%	-85.2%	3.1%	1.4x	1.6x	45.6x	N/A
Unum Group	UNM	0.8%	5.7%	4.1%	2.7%	-45.5%	7.8%	0.9x	0.8x	11.0x	4.9x
	Mean	0.6%	4.3%	4.5% #	4.7%	-20.1%	12.4%	1.6x	1.7x	17.5x	8.1x
	Median	0.6%	6.3%	4.2% #	3.0%	-11.8%	10.4%	1.6x	1.8x	11.4x	8.1x
<b>Insurance Brokers</b>											
Arthur J. Gallagher & Co.	AJG	2.4%	15.5%	4.7%	9.1%	12.3%	15.8%	3.1x	2.8x	19.5x	16.0x
Brown & Brown, Inc.	BRO	5.4%	12.8%	8.2%	16.0%	15.7%	30.5%	5.1x	4.8x	16.7x	15.7x
Crawford & Company	CRDB	5.0%	12.3%	8.4%	-6.0%	-18.2%	8.3%	0.8x	0.8x	9.4x	6.7x
eHealth, Inc.	EHTH	3.4%	0.0%	4.2%	44.2%	N/A	11.0%	6.7x	5.6x	61.1x	31.7x
Marsh & McLennan Companies, Inc.	MMC	7.3%	21.3%	10.1%	3.4%	0.3%	23.4%	4.4x	4.0x	18.8x	16.2x
Health Insurance Innovations, Inc.	HHIQ	5.9%	13.5%	12.8%	34.0%	-20.0%	8.5%	1.0x	0.8x	11.3x	4.2x
	Mean	4.9%	12.6%	8.1%	16.8%	-2.0%	16.3%	3.5x	3.1x	22.8x	15.1x
	Median	5.2%	13.2%	8.3%	12.6%	0.3%	13.4%	3.7x	3.4x	17.8x	15.9x

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 June 30, 2019



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

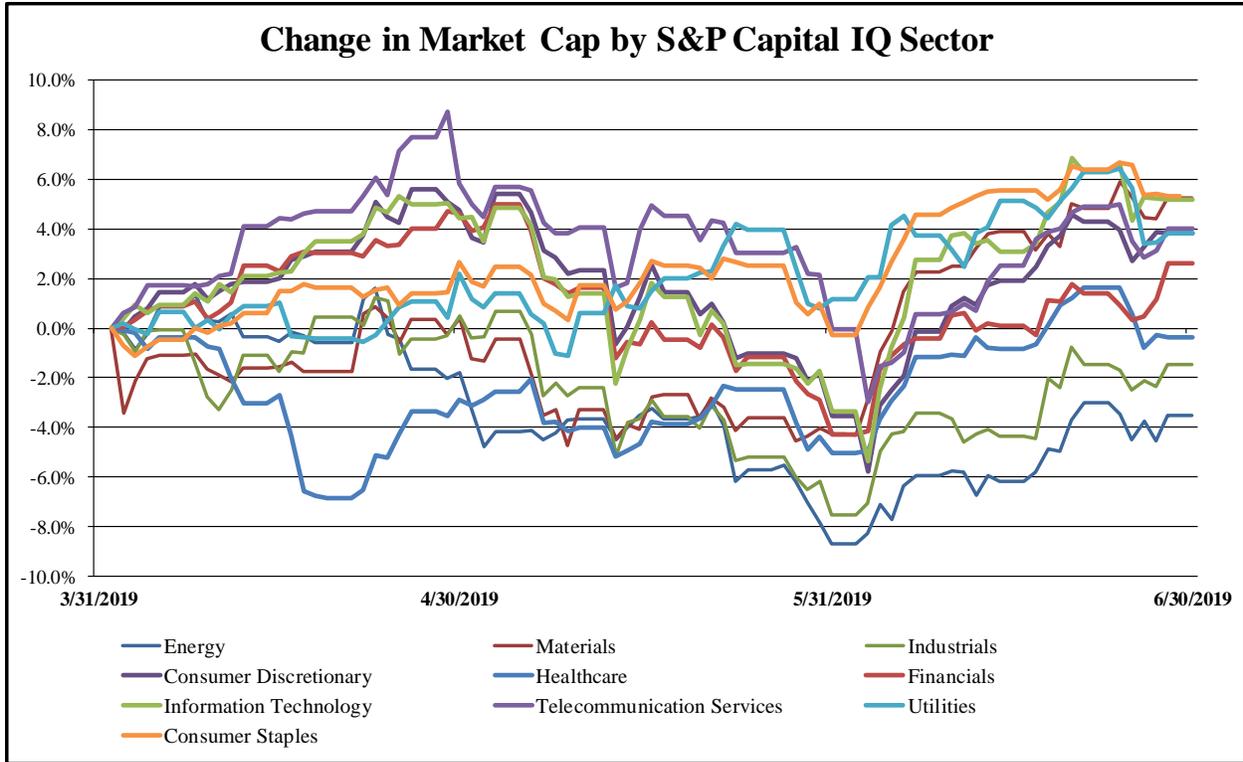
## Recent M&A Activity in Insurance Industry June 30, 2018 to June 30, 2019

(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
5/23/2019	The Navigators Group, Inc.	The Hartford Financial Services Group, Inc.	Property and Casualty Insurance	\$2,165.27
12/31/2018	Gerber Life Insurance Company	Western & Southern Financial Group, Inc.	Life and Health Insurance	\$1,556.20
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
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 Services,	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
5/3/2019	Global Reinsurance Corporation Of America	Randall & Quilter America Holdings Inc.	Reinsurance	\$80.50
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	\$30.00
4/11/2019	Substantially all of the assets of LeaseTerm Insurance Group,	RealPage, Inc.	Insurance Brokers	\$25.90
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
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
5/3/2019	Fortman Insurance Agency, LLC	Reliance Global Holdings, LLC	Insurance Brokers	\$4.14
1/15/2019	IJU, Inc.	LM Funding America, Inc.	Insurance Brokers	\$3.58
1/31/2019	Assets of The Nolan Company	T Bank, National Association	Insurance Brokers	\$2.50
4/3/2019	Southwestern Montana Insurance Agency	Reliance Global Holdings, LLC	Insurance Brokers	\$2.34
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 Life	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
6/27/2019	McCarthy & Trinko Inc.	AssuredPartners, Inc.	Insurance Brokers	NA
6/27/2019	Outdoor Insurance Group, Inc.	NFP Corp.	Insurance Brokers	NA
6/26/2019	Cathy Insurance Services, LLC	AssuredPartners, Inc.	Insurance Brokers	NA
6/20/2019	Excel Bonds & Insurance Services, Inc.	NFP Corp.	Insurance Brokers	NA
6/20/2019	Advanced Insurance Brokerage, LLC	Clegg Insurance Group, Inc.	Insurance Brokers	NA
6/19/2019	Horizon Insurance Agency, LLC	AssuredPartners, Inc.	Multi-line Insurance	NA
6/18/2019	Assets of Complete Claims Management Professionals	Ardent Assistance Inc.	Insurance Brokers	NA
6/17/2019	Foster & Parker Insurance Agency, Inc.	HUB International Limited	Insurance Brokers	NA
6/17/2019	Commercial Insurance Branch of Extraco Banks, N.A.	Higginbotham Insurance Group, Inc.	Insurance Brokers	NA
6/13/2019	Links Insurance Services, LLC	World Insurance Associates LLC	Property and Casualty Insurance	NA
6/13/2019	Abram Interstate Insurance Services, Inc.	Risk Placement Services, Inc.	Insurance Brokers	NA
6/11/2019	Creative Insurance Solutions, LLC	RSC Insurance Brokerage, Inc.	Insurance Brokers	NA
6/7/2019	Rivard Insurance Agency, Inc.	AssuredPartners, Inc.	Property and Casualty Insurance	NA
6/6/2019	MDV Wealth Planning, Inc.	Arthur J. Gallagher & Co.	Insurance Brokers	NA
6/6/2019	Pfister Insurance, Inc.	The Hilb Group, LLC	Insurance Brokers	NA
6/5/2019	Mosaic Insurance, LLC	Inszone Insurance Services, Inc.	Insurance Brokers	NA
6/5/2019	Substantially all of the Assets of Twinbrook Insurance	Brown & Brown Of Massachusetts, LLC	Property and Casualty Insurance	NA
6/4/2019	Worley Claims Services, LLC	Kohlberg & Company, L.L.C.	Insurance Brokers	NA
6/4/2019	Advantage Insurance Services, Inc.	Atlas Insurance Agency, Inc.	Insurance Brokers	NA
6/3/2019	First Texas Insurance Services L.C.	INSURICA, Inc.	Insurance Brokers	NA
6/3/2019	Atlantic Risk Specialists, Inc.	AmWINS Group, Inc.	Insurance Brokers	NA
6/3/2019	Insurance Markets Agency, Inc.	W.N. Tuscano Agency, Inc.	Insurance Brokers	NA
6/3/2019	Individual Life Insurance and Annuity Business	Protective Life Insurance Company	Life and Health Insurance	NA
6/1/2019	Atlantic Specialty Lines, Inc. (nka:RT Richmond)	R-T Specialty, LLC	Insurance Brokers	NA
5/30/2019	Concord Benefits Planning Agency, Inc.	OneDigital Health and Benefits, Inc.	Insurance Brokers	NA
5/29/2019	MainStreet Consulting Group, Inc.	RSC Insurance Brokerage, Inc.	Insurance Brokers	NA
5/29/2019	McGhee & Assoc Insurance Agency, Inc.	Inszone Insurance Services, Inc.	Insurance Brokers	NA
5/28/2019	Flinn Financial, Inc.	High Street Insurance Partners, LLC	Insurance Brokers	NA
5/28/2019	Capital Insurance Group Inc.	Auto-Owners Insurance Company, Inc.	Property and Casualty Insurance	NA
5/22/2019	Jones & Associates Insurance Services, Ltd.	Hamilton Insurance Group, Inc.	Insurance Brokers	NA
5/21/2019	RPA Insurance Services, LLC/Innovative Coverage Concepts,	Arthur J. Gallagher & Co.	Insurance Brokers	NA
5/17/2019	Personal Lines Division of Ozwald and Speaker Insurance	Frederick H. DiMeo Insurance Agency, Inc.	Insurance Brokers	NA
5/15/2019	Best Rate Insurance/Luxor Insurance	Confie Seguros Holding II Co	Property and Casualty Insurance	NA

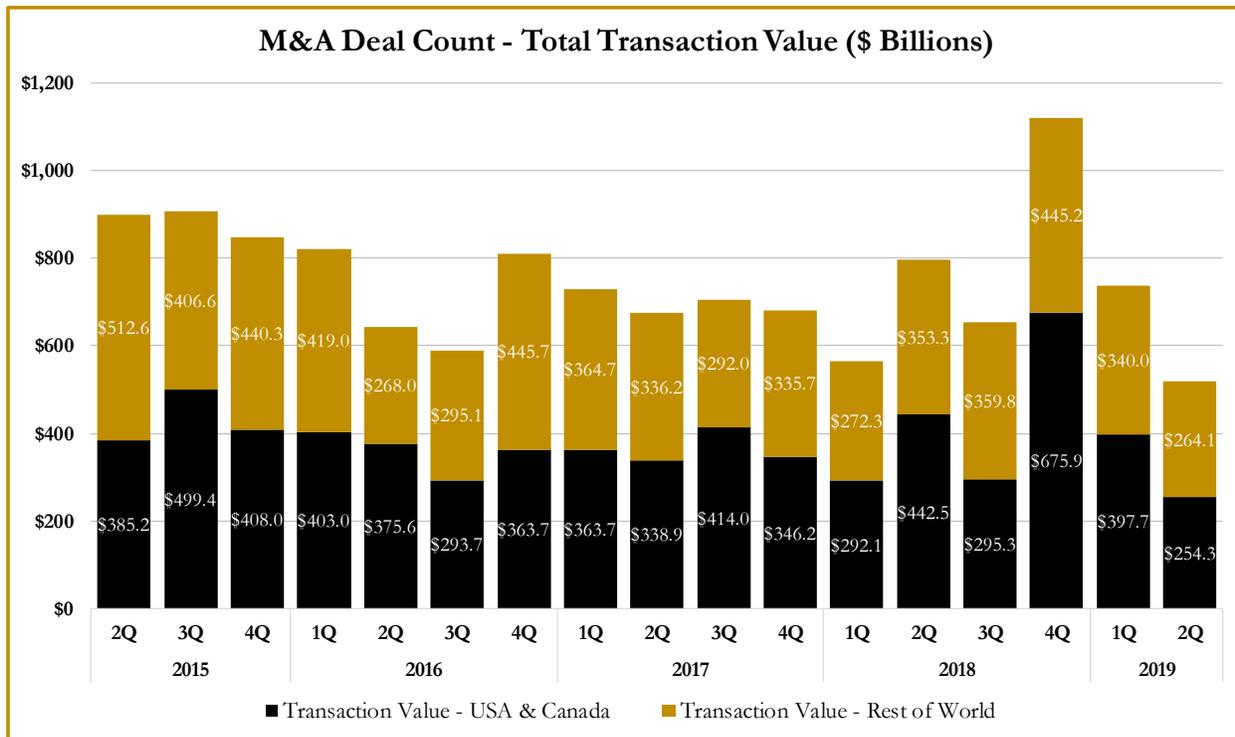
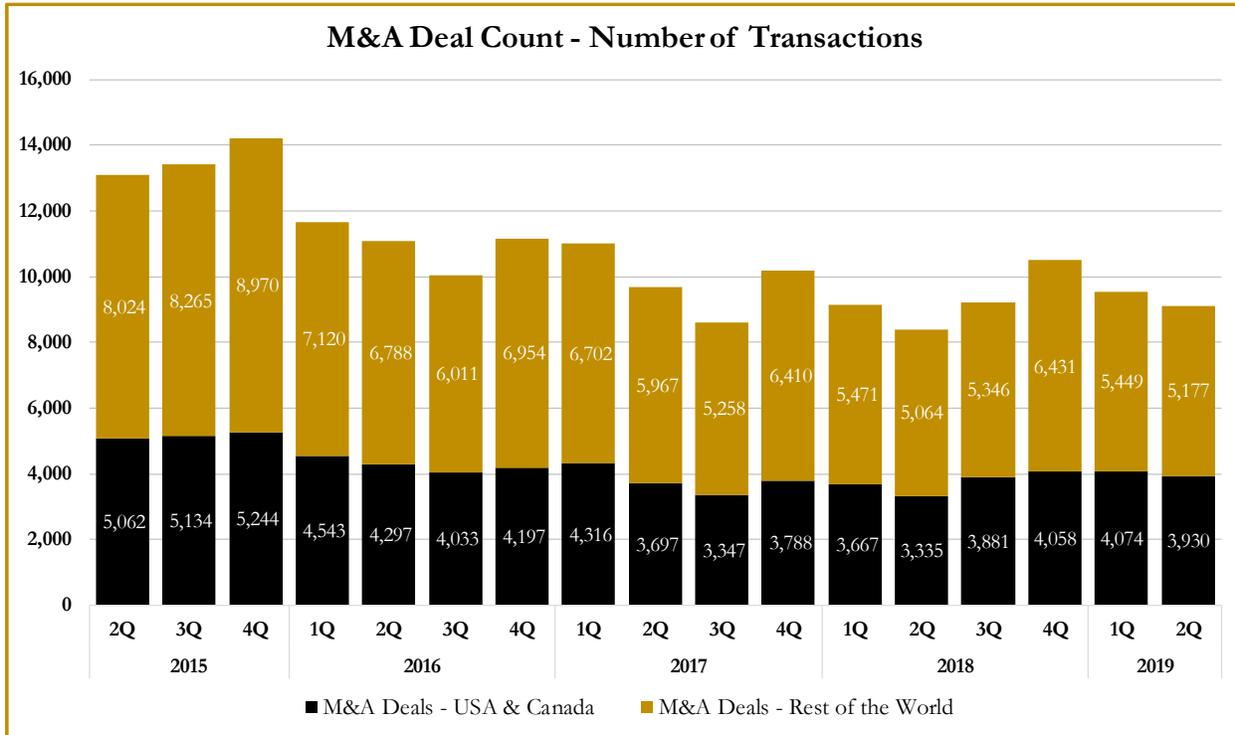
Source: Capital IQ

S&P Capital IQ - Sector Last 3 Month Equity Performance  
As of June 30, 2019

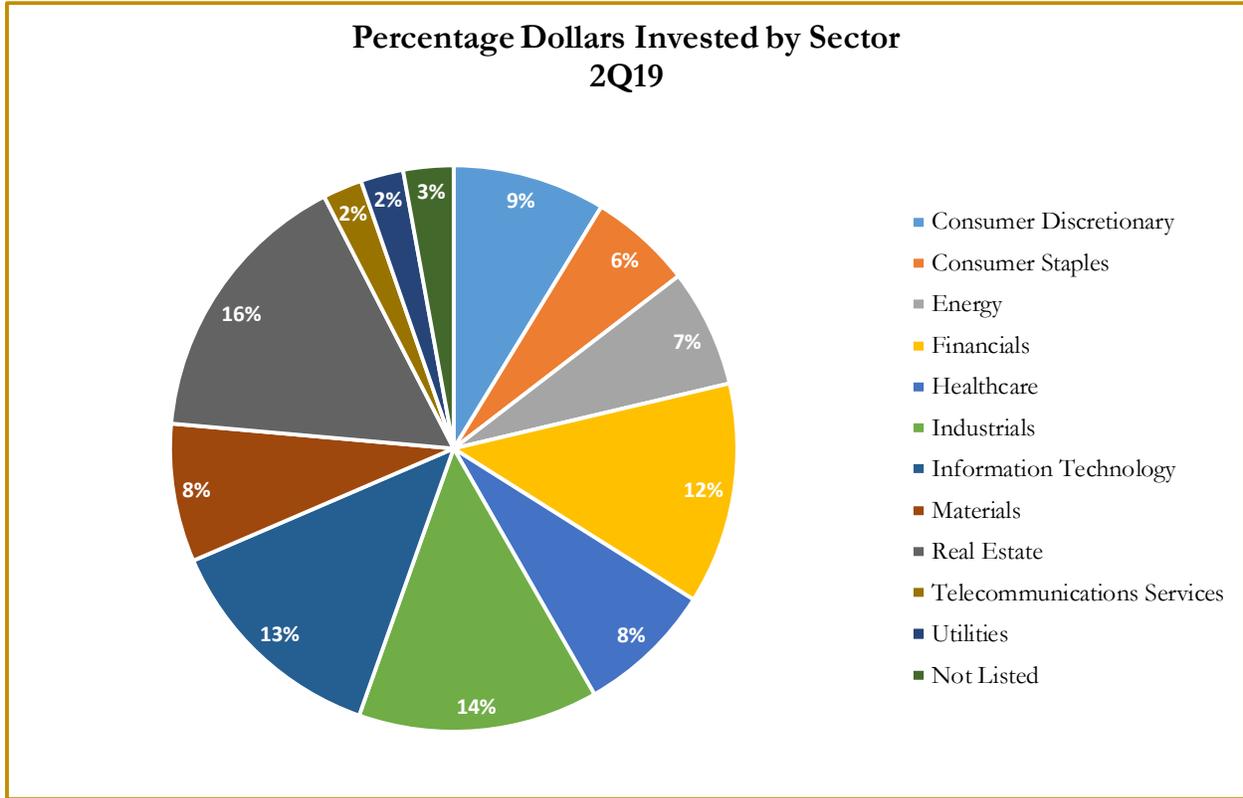


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of June 30, 2019



M&A Deal Flow Statistics by S&P Capital IQ Sector  
As of June 30, 2019





## About Houlihan Capital

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.

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