



**HOULIHAN
CAPITAL**

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Industry Observations – September 30, 2019

Insurance Industry

Select Insurance Public Company Industry Data As of September 30, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data					LTM Operating Data			Forward Estimates	
		Price at 09/30/19	% 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
Property and Casualty											
First American Financial Corporation	FAF	\$59.01	97.6%	\$6,614.95	\$6,548.78	23.3%	\$11,443.18	\$5,761.50	\$877.41	\$5,987.52	\$995.80
Stewart Information Services Corporation	STC	\$38.79	85.8%	\$919.80	\$1,015.72	23.8%	\$1,477.04	\$1,848.17	\$115.93	\$1,902.70	\$0.00
Fidelity National Financial, Inc.	FNF	\$44.41	97.8%	\$12,185.51	\$12,968.87	19.3%	\$10,189.00	\$7,655.00	\$1,199.00	\$8,022.17	\$1,359.00
Amerisafe, Inc.	AMSF	\$66.11	94.5%	\$1,275.43	\$1,202.77	0.1%	\$1,571.09	\$375.14	\$94.17	\$367.34	\$0.00
Life and Health											
Aflac Incorporated	AFL	\$52.32	91.5%	\$38,736.86	\$43,797.61	21.6%	\$151,400.00	\$21,872.00	\$4,493.00	\$22,004.46	\$0.00
Tamaska Oil and Gas Limited	TMK	\$0.00	62.4%	\$1.65	\$1.23	0.0%	\$1.19	\$0.00	-\$0.15	\$0.00	\$0.00
Prudential Financial, Inc.	PRU	\$89.95	84.3%	\$36,805.86	\$58,082.48	36.9%	\$873,825.00	\$65,371.00	\$6,773.00	\$56,790.80	\$0.00
MetLife, Inc.	MET	\$47.16	92.2%	\$44,162.87	\$122,664.23	60.4%	\$732,167.00	\$65,724.00	\$8,919.50	\$64,492.35	\$0.00
CNO Financial Group, Inc.	CNO	\$15.83	72.2%	\$2,469.37	\$5,742.11	47.6%	\$32,716.00	\$4,262.20	\$43.50	\$3,810.84	\$0.00
Unum Group	UNM	\$29.72	73.1%	\$6,200.51	\$9,297.50	26.8%	\$65,843.70	\$11,812.90	\$913.40	\$12,052.79	\$2,059.60
Insurance Brokers											
Arthur J. Gallagher & Co.	AJG	\$89.57	96.6%	\$16,666.29	\$21,048.57	49.4%	\$19,200.30	\$6,807.40	\$1,123.10	\$7,114.71	\$1,281.95
Brown & Brown, Inc.	BRO	\$36.06	96.9%	\$10,142.77	\$11,464.02	34.7%	\$7,164.77	\$2,227.85	\$804.20	\$2,371.23	\$711.78
Crawford & Company	CRDB	\$10.09	95.5%	\$541.72	\$825.14	65.4%	\$794.24	\$1,022.76	\$88.78	\$1,065.24	\$125.78
eHealth, Inc.	EHTH	\$66.79	59.5%	\$1,523.22	\$1,284.69	8.1%	\$583.49	\$310.21	\$39.81	\$382.85	\$67.64
Marsh & McLennan Companies, Inc.	MMC	\$100.05	96.8%	\$50,656.43	\$64,578.12	65.0%	\$32,116.00	\$15,636.00	\$3,784.00	\$16,833.44	\$4,117.65
Health Insurance Innovations, Inc.	HIHQ	\$24.93	39.5%	\$305.76	\$501.08	60.4%	\$508.15	\$349.07	\$32.06	\$449.43	\$81.07

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, 2019

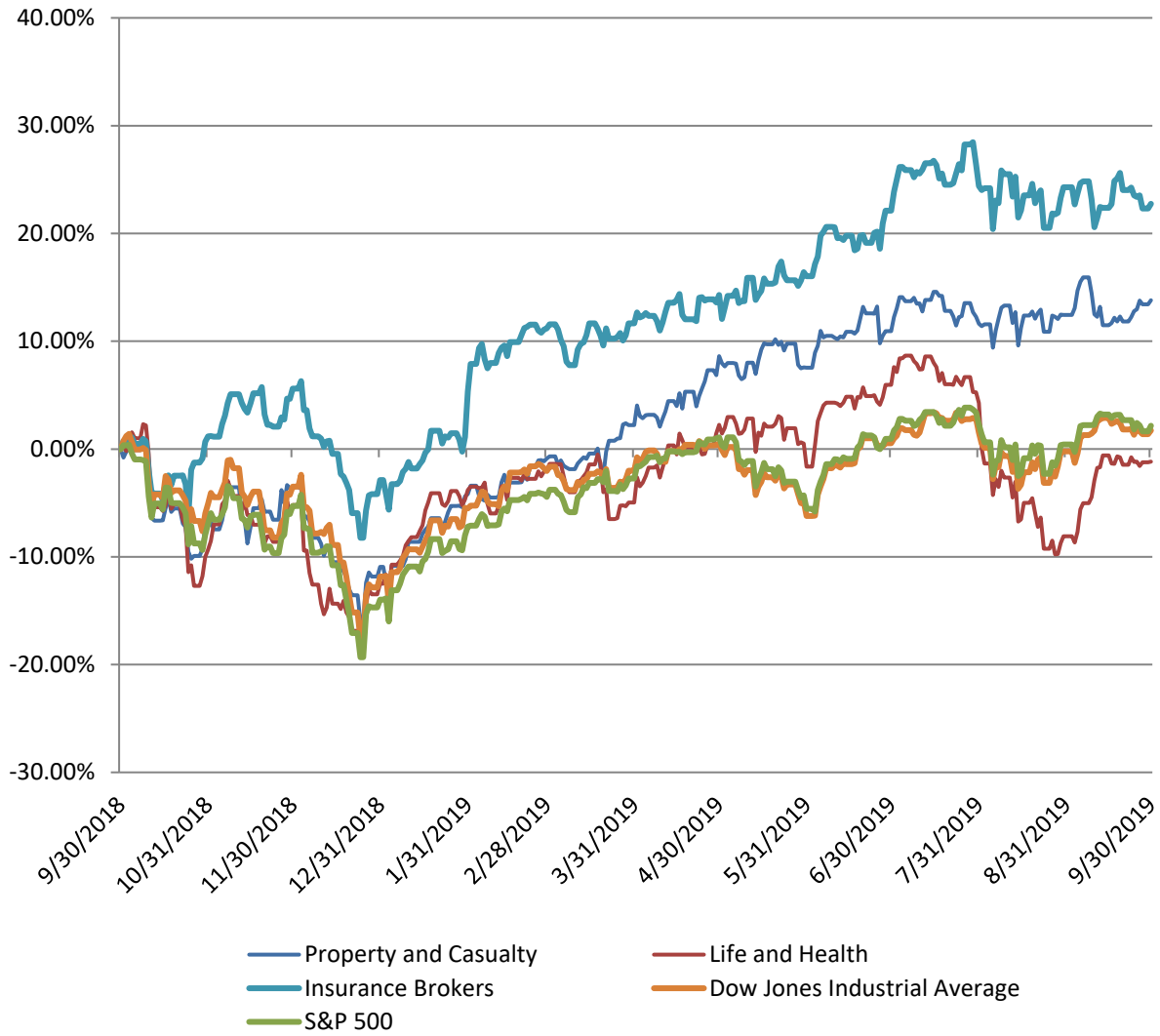
(USD in millions, except per share data)

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
Property and Casualty											
First American Financial Corporation	FAF	4.4%	14.1%	9.6%	-0.5%	35.3%	15.2%	1.1x	1.1x	7.5x	6.6x
Stewart Information Services Corporation	STC	4.0%	7.7%	6.8%	-5.6%	12.5%	6.3%	0.5x	0.5x	8.8x	N/A
Fidelity National Financial, Inc.	FNF	6.6%	14.8%	10.4%	-1.5%	10.1%	15.7%	1.7x	1.6x	10.8x	9.5x
Amerisafe, Inc.	AMSF	3.7%	16.9%	13.0%	-0.6%	14.0%	25.1%	3.2x	3.3x	12.8x	N/A
	Mean	4.7%	13.4%	9.9%	-2.0%	18.0%	15.6%	1.6x	1.6x	10.0x	8.1x
	Median	4.2%	14.5%	10.0%	-1.0%	13.2%	15.4%	1.4x	1.4x	9.8x	8.1x
Life and Health											
Aflac Incorporated	AFL	1.9%	12.0%	8.1%	-0.5%	0.5%	20.5%	2.0x	2.0x	9.7x	N/A
Prudential Financial, Inc.	PRU	0.5%	7.6%	4.6%	6.9%	-12.2%	10.4%	0.9x	1.0x	8.6x	N/A
MetLife, Inc.	MET	0.8%	10.4%	3.5%	-3.3%	46.1%	13.6%	1.9x	1.9x	13.8x	N/A
CNO Financial Group, Inc.	CNO	-0.4%	-9.5%	-1.7%	0.9%	-95.2%	1.0%	1.3x	1.5x	132.0x	N/A
Unum Group	UNM	0.8%	5.6%	3.9%	3.2%	-45.3%	7.7%	0.8x	0.8x	10.2x	4.5x
	Mean	0.7%	5.2%	3.7%	1.4%	-21.2%	10.6%	1.4x	1.4x	34.9x	4.5x
	Median	0.8%	7.6%	3.9%	0.9%	-12.2%	10.4%	1.3x	1.5x	10.2x	4.5x
Insurance Brokers											
Arthur J. Gallagher & Co.	AJG	2.4%	15.6%	4.9%	6.3%	12.3%	16.5%	3.1x	3.0x	18.7x	16.4x
Brown & Brown, Inc.	BRO	6.6%	12.8%	10.0%	16.0%	36.8%	36.1%	5.1x	4.8x	14.3x	16.1x
Crawford & Company	CRD.B	5.5%	15.4%	9.3%	-8.8%	-11.5%	8.7%	0.8x	0.8x	9.3x	6.6x
eHealth, Inc.	EHTH	4.6%	1.7%	5.7%	63.0%	N/A	12.8%	4.1x	3.4x	32.3x	19.0x
Marsh & McLennan Companies, Inc.	MMC	7.6%	18.7%	10.7%	5.9%	8.0%	24.2%	4.1x	3.8x	17.1x	15.7x
Health Insurance Innovations, Inc.	HIHQ	5.3%	14.1%	10.1%	24.4%	-10.9%	9.2%	1.4x	1.1x	15.6x	6.2x
	Mean	5.3%	13.1%	8.4%	17.8%	6.9%	17.9%	3.1x	2.8x	17.9x	13.3x
	Median	5.4%	14.8%	9.6%	11.2%	8.0%	14.7%	3.6x	3.2x	16.3x	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 September 30, 2019



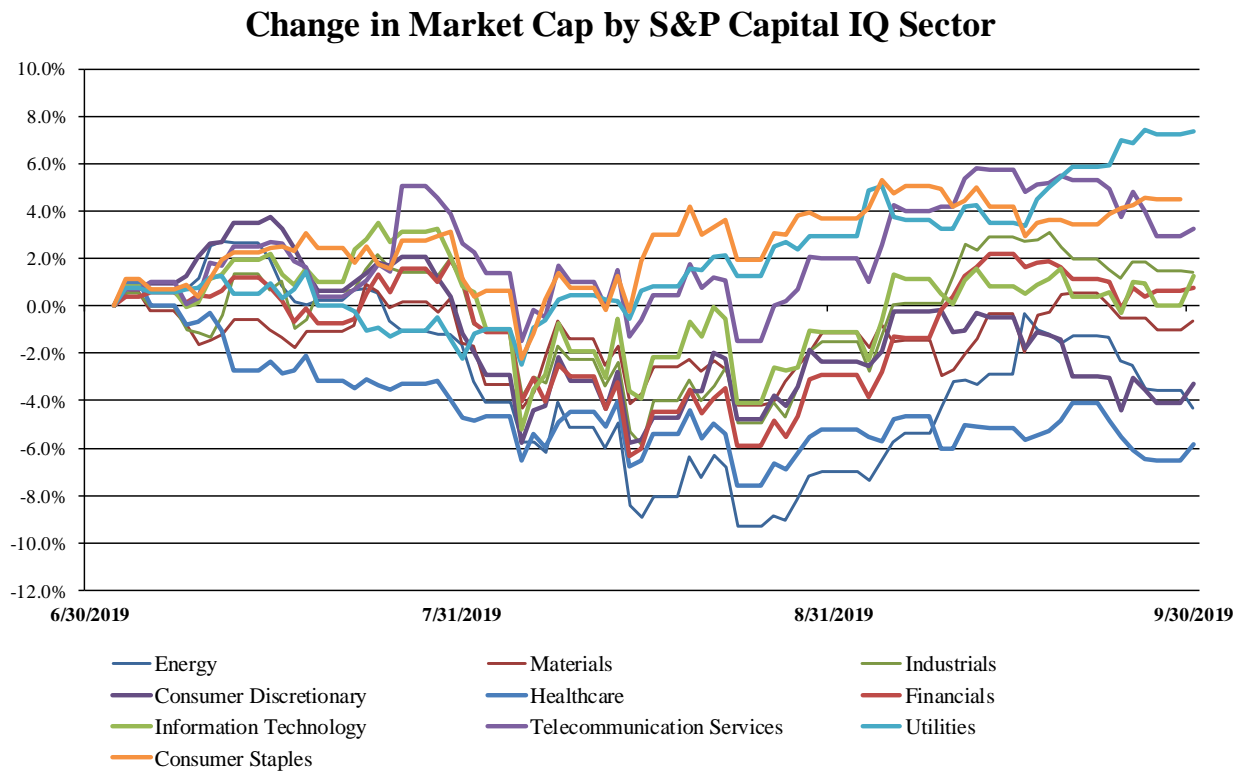
Note: The indices are derived from the equity performance of the previously listed companies. Source: Capital IQ

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

(USD in millions)

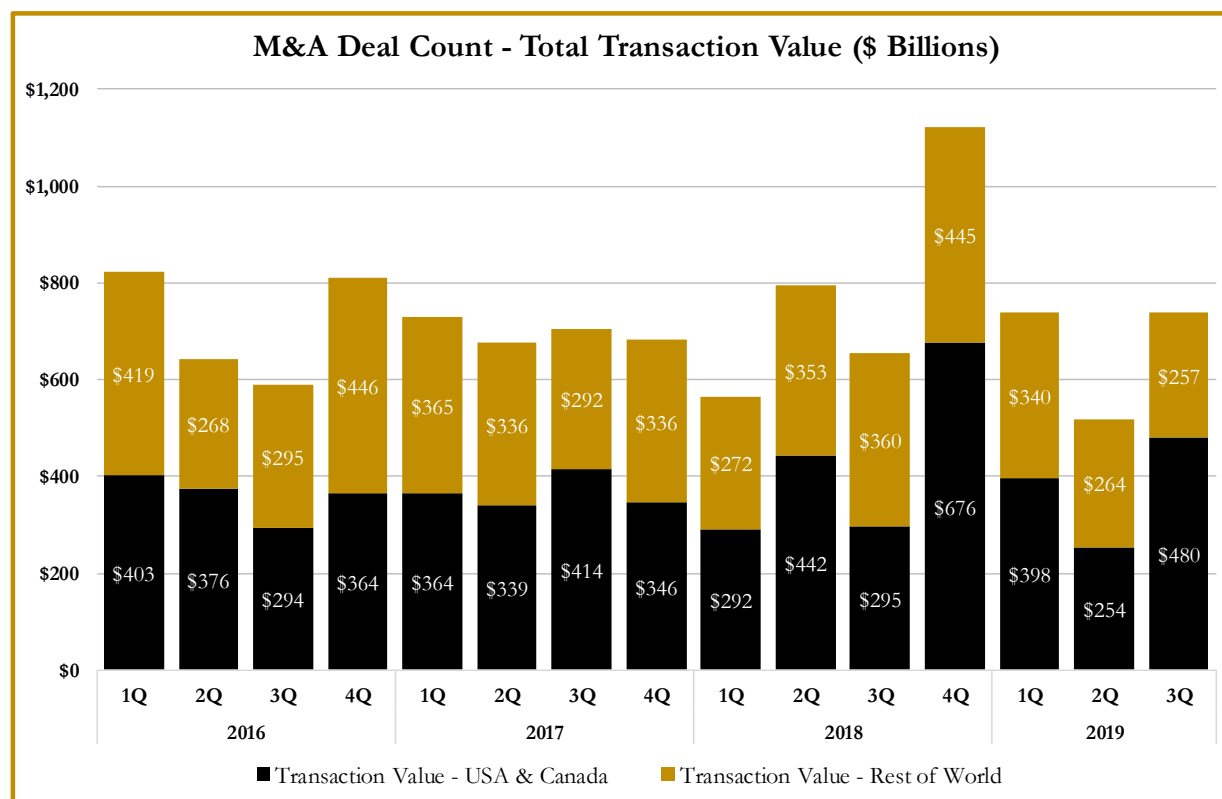
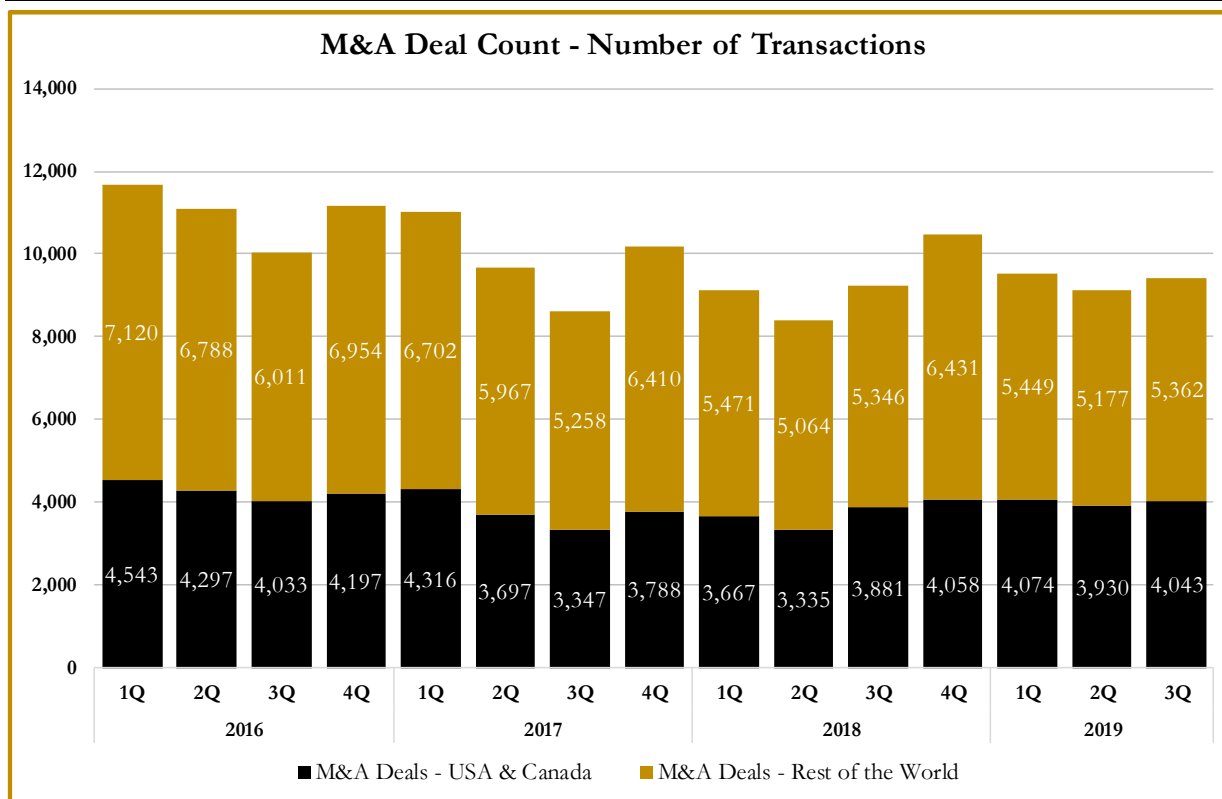
Close Date	Target	Acquirer	Target Company Primary Industry	Implied Equity Value
5/23/2019	The Navigators Group, Inc.	The Hartford Financial Services Group, Inc.	Property and Casualty Insurance	\$2,165.27
12/31/2018	Gerber Life Insurance Company	Western & Southern Financial Group, Inc.	Life and Health Insurance	\$1,556.20
11/15/2018	Insurance Operations of Hays Companies	BBHG, Inc.	Property and Casualty Insurance	\$705.00
7/31/2019	Hospitals Insurance Company, Inc./FOJP Service	The Doctors Company	Multi-line Insurance	\$650.00
2/15/2019	First Community Title Services Inc.	Illinois Real Estate Title Center, LLC	Insurance Brokers	\$498.00
7/1/2019	National Teachers Associates Life Insurance Company	Horace Mann Educators Corporation	Life and Health Insurance	\$405.00
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	National Western Life Insurance Company	Life and Health Insurance	\$181.00
4/30/2019	Millennial Specialty Insurance, LLC	Baldwin Risk Partners, LLC	Property and Casualty Insurance	\$130.71
4/18/2019	Ambridge Partners, LLC	Brit Limited	Property and Casualty Insurance	\$93.20
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
8/1/2019	National Farmers Union Property and Casualty Company	National General Holdings Corp.	Property and Casualty Insurance	\$52.80
11/26/2018	Buckman-Mitchell, Inc.	Arthur J. Gallagher & Co.	Multi-line Insurance	\$45.80
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	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
1/28/2019	All Assets of Scottish Holdings, Inc.	HSCM Bermuda Fund Ltd.	Reinsurance	\$10.00
9/10/2019	Altruis Benefit Consulting LLC	Reliance Global Group, Inc.	Insurance Brokers	\$7.88
5/3/2019	Summit Insurance Services, LLC	The Hilb Group, LLC	Insurance Brokers	\$7.12
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	US Alliance Life And Security Company	Life and Health Insurance	\$0.50
9/30/2019	Bedrick-Kaitz Agency, Inc.	RSC Insurance Brokerage, Inc.	Insurance Brokers	NA
9/26/2019	Moore Benefits, Inc.	OneDigital Health and Benefits, Inc.	Insurance Brokers	NA
9/24/2019	Willin, Inc.	The Hilb Group, LLC	Life and Health Insurance	NA
9/23/2019	Mission West Insurance Solutions, Inc.	Gamic, LLC	Insurance Brokers	NA
9/23/2019	Executive Brokerage Services, Inc.	Simplicity Group Holdings, Inc.	Insurance Brokers	NA
9/19/2019	Andrew Insurance Associates, Inc.	Arthur J. Gallagher & Co.	Multi-line Insurance	NA
9/18/2019	Western Century Insurance Services, Inc.	Inszone Insurance Services, Inc.	Insurance Brokers	NA
9/17/2019	Healthplex, Inc.	Managed Care of North America, Inc.	Life and Health Insurance	NA
9/16/2019	Alton E. Woodford Insurance Agency, Inc.	AssuredPartners, Inc.	Multi-line Insurance	NA
9/13/2019	Sierra Specialty Insurance Services, Inc.	XPT Group LLC	Insurance Brokers	NA
9/13/2019	Frontier Adjusters, Inc.	Davies Group Limited	Insurance Brokers	NA
9/13/2019	GoHealth, LLC	Centerbridge Partners, L.P.	Insurance Brokers	NA
9/12/2019	Makro Enterprises, Inc.	GLB Insurance Group of Nevada	Insurance Brokers	NA
9/11/2019	The Pinnacle Benefits Group, LLC	Integrity Marketing Group, LLC	Insurance Brokers	NA
9/11/2019	Green Arrow Insurance Solutions	Inszone Insurance Services, Inc.	Insurance Brokers	NA
9/10/2019	New Mexico P&C Insurance Company	SOBC DARAG Holdings Ltd	Property and Casualty Insurance	NA
9/9/2019	Sema Insurance Agency, Inc.	Arthur J. Gallagher & Co.	Insurance Brokers	NA
9/4/2019	Revens-Gates Insurance, Inc.	Starkweather & Shepley Insurance Brokerage,	Multi-line Insurance	NA
9/4/2019	York Risk Services Group, Inc.	Sedgwick Claims Management Services, Inc.	Insurance Brokers	NA
9/3/2019	Regency Insurance Brokerage Services, Inc.	U.S. Risk, LLC	Insurance Brokers	NA
9/3/2019	Rutgers Enhanced Insurance Company (nka:Hombeam	American Life and Accident Insurance Company	Insurance Brokers	NA
9/3/2019	Bell & Associates Consulting Firm LLC	Ash Brokerage, LLC	Insurance Brokers	NA
9/3/2019	John C. Gallagher Insurance Agency, Inc.	Kaplansky Insurance Agency, Inc.	Insurance Brokers	NA
9/1/2019	American Insurance Marketing Corp.	World Insurance Associates LLC	Insurance Brokers	NA
9/1/2019	Division Street Associates, Inc	World Insurance Associates LLC	Insurance Brokers	NA
8/30/2019	University Services Business of Garnett-Powers &	Arthur J. Gallagher & Co.	Life and Health Insurance	NA
8/28/2019	Storsmart Insurance Co.	Storables Inc	Property and Casualty Insurance	NA
8/28/2019	Bader Company	Storsmart Insurance Co.	Property and Casualty Insurance	NA
8/27/2019	Houston Business Insurance Agency, Inc.	AssuredPartners, Inc.	Insurance Brokers	NA
8/27/2019	B.A.Bennett and Company, Incorporated	Countybank Insurance Services, Inc.	Multi-line Insurance	NA

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

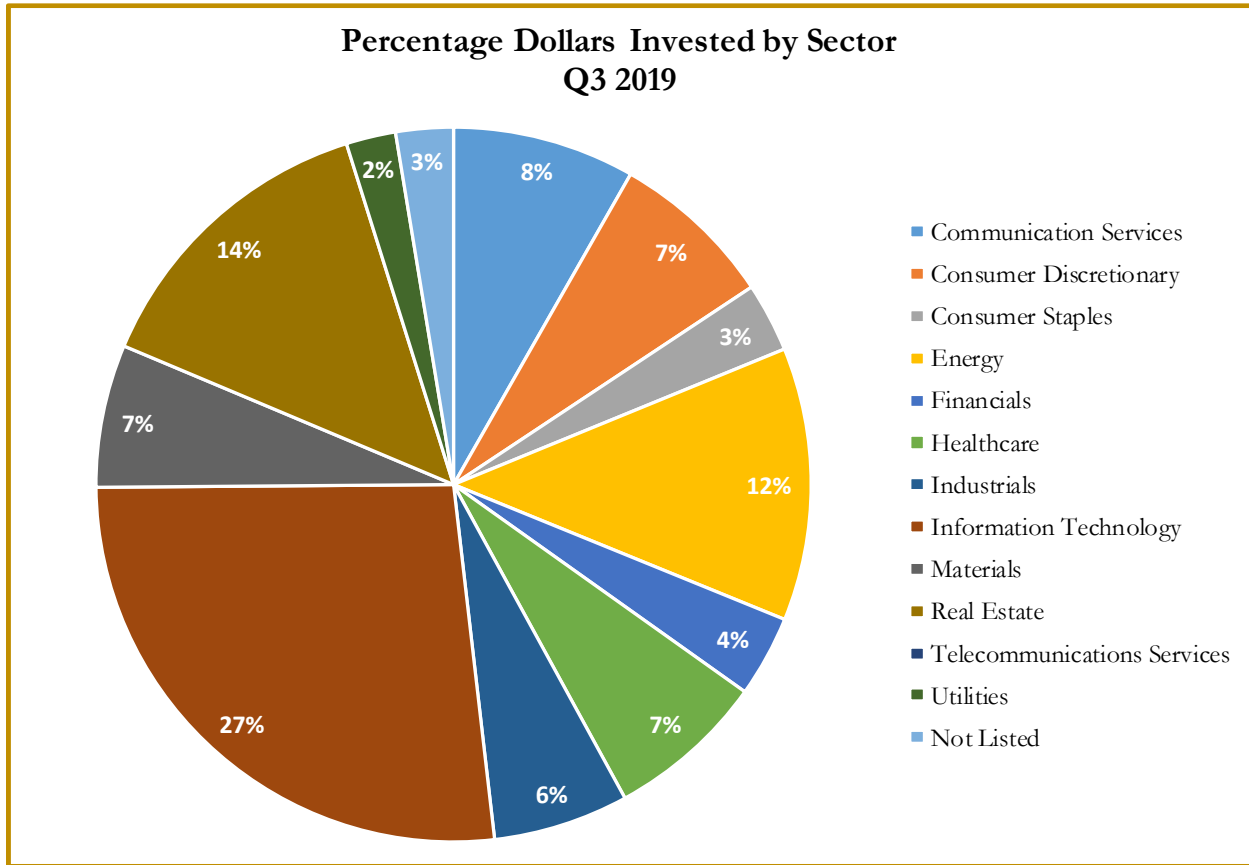


Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

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



M&A Deal Flow Statistics by S&P Capital IQ Sector
As of September 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, private placement and capital raises.

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

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