



HOULIHAN
CAPITAL

Value. Added.



Industry Observations – December 31, 2019

Insurance Industry

Select Insurance Public Company Industry Data As of December 31, 2019

(USD in millions, except per share data)

Company Name	Ticker	Market Data				Debt / Total Capital	LTM Operating Data			Forward Estimates	
		Price at 12/31/19	% of 52 Week High	Equity Value	Enterprise Value		Total Assets	LTM Revenue	LTM EBITDA	CY 2019 Revenue Estimate	CY 2019 EBITDA Estimate
Property and Casualty											
First American Financial Corporation	FAF	\$58.32	90.6%	\$6,551.45	\$6,261.72	23.2%	\$11,804.09	\$5,890.51	\$928.59	\$6,067.18	\$921.10
Stewart Information Services Corporation	STC	\$40.79	90.7%	\$967.00	\$949.49	22.3%	\$1,559.19	\$1,850.04	\$124.39	\$1,881.20	\$123.00
Fidelity National Financial, Inc.	FNFI	\$45.35	93.7%	\$12,472.12	\$13,397.90	18.7%	\$10,419.00	\$7,811.00	\$1,276.00	\$8,117.00	\$1,287.00
Amerisafe, Inc.	AMSF	\$66.03	91.7%	\$1,274.02	\$1,193.64	0.1%	\$1,574.54	\$373.10	\$96.30	\$346.56	\$0.00
Life and Health											
Aflac Incorporated	AFL	\$52.90	92.5%	\$38,829.55	\$42,954.81	22.2%	\$154,137.00	\$21,830.00	\$4,385.00	\$21,850.06	\$0.00
Tamaska Oil and Gas Limited	TMK	\$0.00	62.5%	\$2.83	\$1.66	0.0%	\$1.19	\$0.00	-\$0.15	\$0.00	\$0.00
Prudential Financial, Inc.	PRU	\$93.74	88.1%	\$37,683.48	\$56,980.78	35.4%	\$885,626.00	\$64,328.00	\$6,977.00	\$58,311.30	\$0.00
MetLife, Inc.	MET	\$50.97	98.8%	\$46,873.61	\$128,033.75	59.1%	\$742,812.00	\$68,113.00	\$10,562.25	\$66,546.34	\$0.00
CNO Financial Group, Inc.	CNO	\$18.13	93.9%	\$2,740.17	\$5,869.08	45.9%	\$33,279.80	\$3,725.00	\$627.80	\$3,818.31	\$0.00
Unum Group	UNM	\$29.16	76.2%	\$6,014.79	\$9,484.46	26.9%	\$66,955.70	\$11,845.10	\$1,621.50	\$12,332.65	\$2,066.34
Insurance Brokers											
Arthur J. Gallagher & Co.	AJG	\$95.23	99.0%	\$17,762.59	\$22,375.93	50.3%	\$19,173.80	\$6,851.30	\$1,168.80	\$7,893.91	\$1,533.15
Brown & Brown, Inc.	BRO	\$39.48	97.7%	\$11,123.34	\$12,865.45	35.0%	\$7,680.66	\$2,315.40	\$872.36	\$2,538.05	\$759.95
Crawford & Company	CRDB	\$10.15	94.1%	\$539.20	\$789.32	63.4%	\$775.49	\$1,022.41	\$100.16	\$1,051.89	\$126.90
eHealth, Inc.	EHTH	\$96.08	85.6%	\$2,219.28	\$2,091.17	8.2%	\$581.24	\$339.37	\$25.97	\$493.70	\$99.12
Marsh & McLennan Companies, Inc.	MMC	\$111.41	97.8%	\$56,225.09	\$70,766.67	65.6%	\$31,097.00	\$16,100.00	\$3,824.00	\$18,047.20	\$4,521.69
Health Insurance Innovations, Inc.	HIIO	\$19.29	41.4%	\$237.20	\$439.34	58.8%	\$553.21	\$352.87	\$39.86	\$437.36	\$92.50

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, 2019

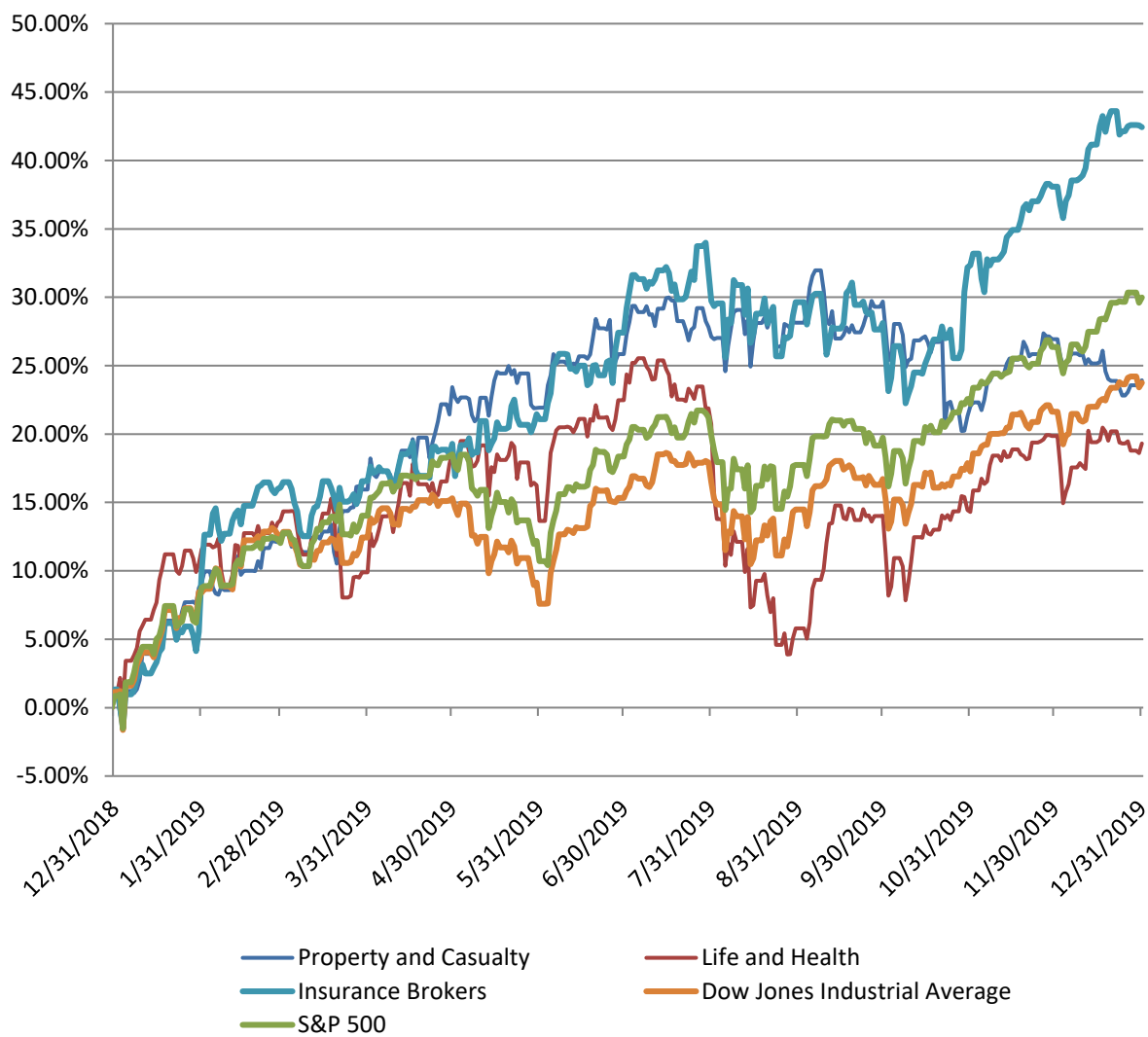
(USD in millions, except per share data)

		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
Company Name	Ticker										
Property and Casualty											
First American Financial Corporation	FAF	4.3%	14.6%	9.9%	1.3%	12.8%	15.8%	1.1x	1.0x	6.7x	6.8x
Stewart Information Services Corporation	STC	4.3%	14.2%	7.1%	-5.8%	8.8%	6.7%	0.5x	0.5x	7.6x	7.7x
Fidelity National Financial, Inc.	FNF	6.9%	14.8%	10.9%	-0.7%	12.7%	16.3%	1.7x	1.7x	10.5x	10.4x
Amerisafe, Inc.	AMSF	3.8%	16.7%	12.8%	-1.3%	15.2%	25.8%	3.2x	3.4x	12.4x	N/A
	Mean	4.8%	15.1%	10.2%	-1.6%	12.4%	16.2%	1.6x	1.7x	9.3x	8.3x
	Median	4.3%	14.7%	10.4%	-1.0%	12.7%	16.1%	1.4x	1.3x	9.1x	7.7x
Life and Health											
Aflac Incorporated	AFL	1.9%	11.6%	7.9%	-1.0%	-3.3%	20.1%	2.0x	2.0x	9.8x	N/A
Prudential Financial, Inc.	PRU	0.5%	7.0%	4.4%	5.5%	9.6%	10.8%	0.9x	1.0x	8.2x	N/A
MetLife, Inc.	MET	0.9%	12.3%	4.1%	0.0%	56.8%	15.5%	1.9x	1.9x	12.1x	N/A
CNO Financial Group, Inc.	CNO	0.7%	3.9%	2.9%	-19.5%	147.7%	16.9%	1.6x	1.5x	9.3x	N/A
Unum Group	UNM	1.5%	11.6%	7.7%	2.5%	74.6%	13.7%	0.8x	0.8x	5.8x	4.6x
	Mean	1.1%	9.3%	5.4%	-2.5%	57.1%	15.4%	1.4x	1.4x	9.1x	4.6x
	Median	0.9%	11.6%	4.4%	0.0%	56.8%	15.5%	1.6x	1.5x	9.3x	4.6x
Insurance Brokers											
Arthur J. Gallagher & Co.	AJG	2.6%	15.5%	5.0%	4.1%	13.4%	17.1%	3.3x	2.8x	19.1x	14.6x
Brown & Brown, Inc.	BRO	6.9%	12.6%	10.5%	17.2%	43.1%	37.7%	5.6x	5.1x	14.7x	16.9x
Crawford & Company	CRD.B	6.6%	16.7%	11.3%	-7.6%	12.3%	9.8%	0.8x	0.8x	7.9x	6.2x
eHealth, Inc.	EHTH	2.8%	1.2%	3.5%	70.0%	N/A	7.7%	6.2x	4.2x	80.5x	21.1x
Marsh & McLennan Companies, Inc.	MMC	7.7%	20.0%	11.1%	7.9%	8.8%	23.8%	4.4x	3.9x	18.5x	15.7x
Health Insurance Innovations, Inc.	HIQ	5.8%	16.9%	11.2%	22.2%	53.0%	11.3%	1.2x	1.0x	11.0x	4.7x
	Mean	5.4%	13.8%	8.8%	19.0%	26.1%	17.9%	3.6x	3.0x	25.3x	13.2x
	Median	6.2%	16.1%	10.8%	12.5%	13.4%	14.2%	3.8x	3.4x	16.6x	15.1x

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 December 31, 2019



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

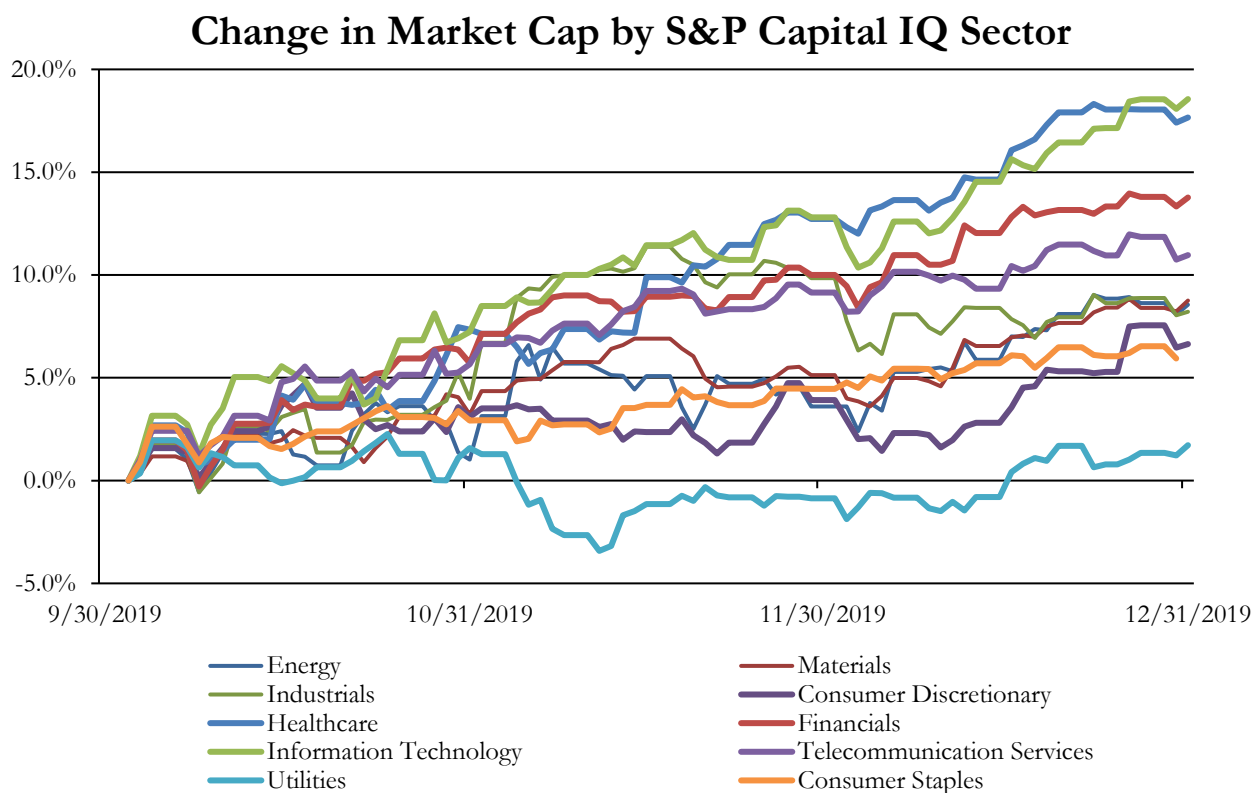
Recent M&A Activity in Insurance Industry December 31, 2018 to December 31, 2019

(USD in millions)

Close Date	Target	Acquirer	Target Company Primary Industry	Implied Enterprise
5/3/2019	Fortman Insurance Agency, LLC	Reliance Global Holdings, LLC	Insurance Brokers	\$4.14
1/31/2019	Assets of The Nolan Company	T Bank, National Association	Insurance Brokers	\$2.50
12/31/2019	Lincoln Benefit Life Company, Inc.	Guaranty Income Life Insurance Company	Life and Health Insurance	NA
12/27/2019	OnPoint Insurance Services, LLC	BNG Holdings, Inc.	Insurance Brokers	NA
12/24/2019	Wickford Insurance Agency, Inc.	The Hilb Group, LLC	Insurance Brokers	NA
12/23/2019	First Service Insurance Agents & Brokers, Inc.	AssuredPartners, Inc.	Insurance Brokers	NA
12/19/2019	Moran Knobel, Inc.	Ascensus, LLC	Insurance Brokers	NA
12/18/2019	West Texas Insurance Exchange, Inc	Alera Group, Inc.	Insurance Brokers	NA
12/18/2019	InPro Insurance Group, Inc.	High Street Insurance Partners, LLC	Insurance Brokers	NA
12/17/2019	Substantially All of The Assets of Insurance Management Group, Inc.	Brown & Brown of South Carolina, Inc.	Insurance Brokers	NA
12/17/2019	James Swiniuch Agency, Inc.	Inszone Insurance Services, Inc.	Property and Casualty Insurance	NA
12/17/2019	Assets of Henderson Insurance Agency	Heffeman Insurance Brokers, Inc.	Property and Casualty Insurance	NA
12/17/2019	Kerr-Boswell, Inc.	The Hilb Group, LLC	Multi-line Insurance	NA
12/17/2019	Alaska National Corporation	CopperPoint Insurance Companies	Property and Casualty Insurance	NA
12/13/2019	Kilpatrick Life Insurance Company	Security National Life Insurance Company	Life and Health Insurance	NA
12/10/2019	Agent Support Group, LLC	AmenLife Group, LLC	Insurance Brokers	NA
12/10/2019	Gowne, Barden & Brett, Inc./Maritime Program Group Inc.	RSC Insurance Brokerage, Inc.	Insurance Brokers	NA
12/4/2019	Risk Management Advisory Group, LLC	Worldwide Facilities, LLC	Insurance Brokers	NA
12/4/2019	Assets of Tiemeey Insurance Agency, Inc.	AAA Pioneer Valley	Multi-line Insurance	NA
12/4/2019	Business Assets of The Legal Coverage Group Ltd.	Legal Risk Services Inc.	Property and Casualty Insurance	NA
12/3/2019	Buck & Affiliates Insurance, Inc.	Alliant Insurance Services, Inc.	Property and Casualty Insurance	NA
12/3/2019	Pacific Northwest Marine Business Team Of Brown & Brown of Was	Arthur J. Gallagher & Co.	Insurance Brokers	NA
12/3/2019	Hamman, Miller Beauchamp, Deeble, Inc.	HUB International Limited	Insurance Brokers	NA
12/3/2019	Portfolio Holding, Inc.	ABRY Partners, LLC	Insurance Brokers	NA
12/2/2019	Southeast Michigan Physicians' Insurance Company	ISMIE Mutual Insurance Company	Property and Casualty Insurance	NA
12/2/2019	Maison Insurance Company, Inc./Maison Managers, Inc./ClaimCor L	FedNat Holding Company	Insurance Brokers	NA
12/1/2019	Dunhour Agency, Inc.	World Insurance Associates LLC	Insurance Brokers	NA
11/30/2019	North American Senior Benefits, LLC	Integrity Marketing Group, LLC	Insurance Brokers	NA
11/27/2019	Scott Riddle Agency, LLC	Integrity Marketing Group, LLC	Insurance Brokers	NA
11/26/2019	Shapiro Insurance Group, Inc.	Patriot Growth Partners, LLC	Insurance Brokers	NA
11/25/2019	Surety Solutions Insurance Services, Inc.	AssuredPartners, Inc.	Insurance Brokers	NA
11/22/2019	Mack, Mack & Waltz Insurance Group Inc.	AssuredPartners, Inc.	Insurance Brokers	NA
11/21/2019	Ewi Re, Inc	Artex Risk Solutions, Inc.	Reinsurance	NA
11/21/2019	MultiFamily Insurance Partners, LLC	MRI Software LLC	Insurance Brokers	NA
11/21/2019	Ohio Benefits and Insurance Group	OneDigital Health and Benefits, Inc.	Insurance Brokers	NA
11/20/2019	Assets of JW Retirement Group	HUB International Limited	Insurance Brokers	NA
11/20/2019	Senior Solutions, LLC	Integrity Marketing Group, LLC	Insurance Brokers	NA
11/18/2019	Financial Life Cycles, Inc.	Johnson Insurance Services, LLC	Insurance Brokers	NA
11/14/2019	Prime Risk Partners Inc.	Edgewood Partners Insurance Center, Inc.	Insurance Brokers	NA
11/12/2019	Berger & O'Neal Insurance Group, LLC/Holmes-Shaw Agency	PointeNorth Insurance Group, LLC	Insurance Brokers	NA
11/12/2019	Zito Insurance Agency, Inc.	RSC Insurance Brokerage, Inc.	Insurance Brokers	NA
11/12/2019	Capital Region Benefits, Inc.	Alera Group, Inc.	Insurance Brokers	NA
11/11/2019	Alfred J. Davis Company Inc.	USI Insurance Services, LLC	Insurance Brokers	NA
11/8/2019	A.B. Stevenson Co. Insurance Brokerage	McDemott-Costa Co., Inc.	Insurance Brokers	NA
11/7/2019	Argus Dental & Vision, Inc.	Aflac Incorporated	Life and Health Insurance	NA
11/6/2019	Warranty Administration Program Assets of Affinity Insurance Service	Extend, Inc.	Insurance Brokers	NA
11/5/2019	S.T. Good Insurance, Inc.	Relation Insurance, Inc.	Insurance Brokers	NA
11/5/2019	Certain Assets of Newsura Insurance Services, Inc.	HUB International Limited	Life and Health Insurance	NA
11/1/2019	J & S Risk Planning Group LLC	World Insurance Associates LLC	Insurance Brokers	NA
11/1/2019	McMillan Insurance Group	World Insurance Associates LLC	Insurance Brokers	NA
11/1/2019	Employee Benefit Advisors of the Carolinas LLC	The Hilb Group, LLC	Insurance Brokers	NA
11/1/2019	Gould & Naimoli Partners, LLC	The Hilb Group, LLC	Insurance Brokers	NA
11/1/2019	Barnes & Phillips Insurance & Financial Services/The Crawford Insur	Element Risk Management LLC	Insurance Brokers	NA
11/1/2019	Stevens-Dell & Associates Insurance, Inc.	HUB International Limited	Insurance Brokers	NA
11/1/2019	Individual Assurance Company, Life Health and Accident	Lifeshield National Insurance Company	Life and Health Insurance	NA
10/31/2019	Archangel Investigations & Protection, Inc.	Insight Service Group, Inc	Insurance Brokers	NA
10/30/2019	BorgWarner Morse TEC, LLC	Enstar Holdings (US), Inc.	Property and Casualty Insurance	NA
10/30/2019	Great American Legacy, Inc.	Integrity Marketing Group, LLC	Insurance Brokers	NA
10/29/2019	Dash & Love, Inc.	RSC Insurance Brokerage, Inc.	Multi-line Insurance	NA
10/29/2019	Coastal American Insurance Company	Gulf States Holdings, Inc.	Property and Casualty Insurance	NA
10/29/2019	Avanti Associates Ltd.	The Hilb Group, LLC	Insurance Brokers	NA
10/25/2019	Geisenheimer Insurance Agency, LLC	Seeman Holtz Property and Casualty, Inc.	Insurance Brokers	NA
10/25/2019	Independent Agency Located in in Wisconsin	BroadStreet Partners, Inc.	Insurance Brokers	NA
10/23/2019	Bonding & Insurance Specialists Agency, Inc	McNeil & Company, Inc.	Insurance Brokers	NA
10/22/2019	Your Insurance Group, LLC	Integrity Marketing Group, LLC	Insurance Brokers	NA

Source: Capital IQ

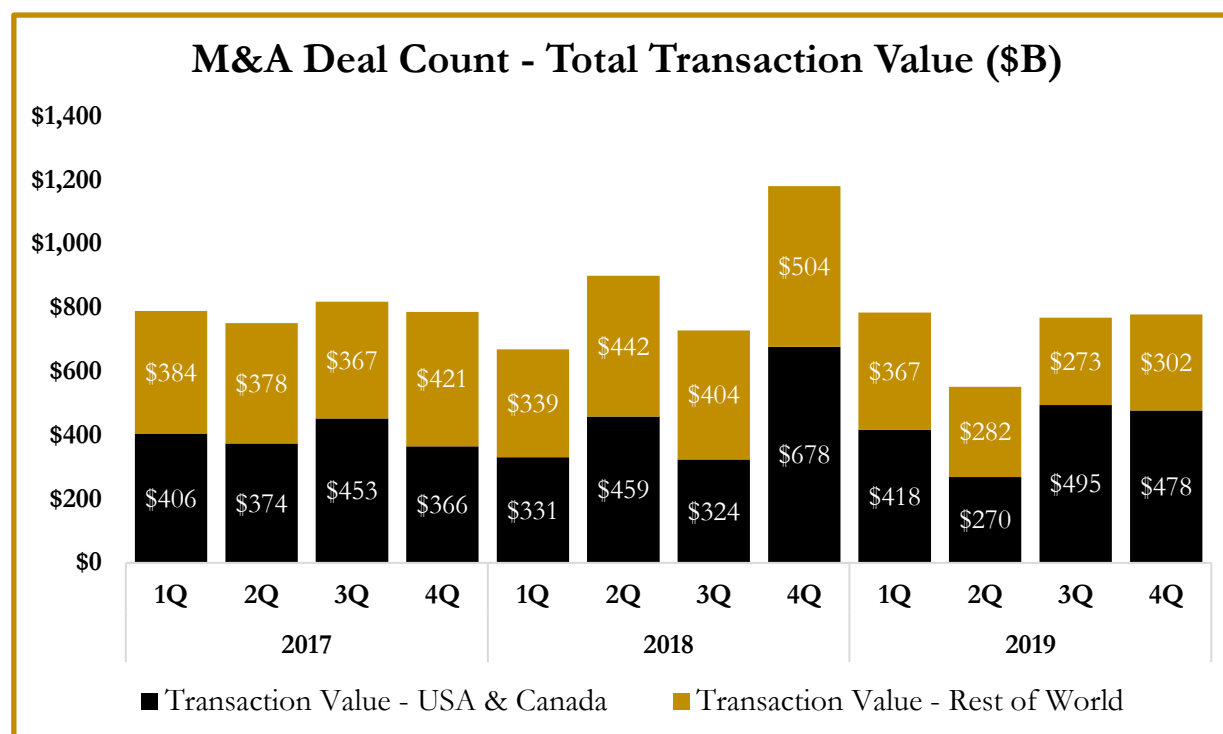
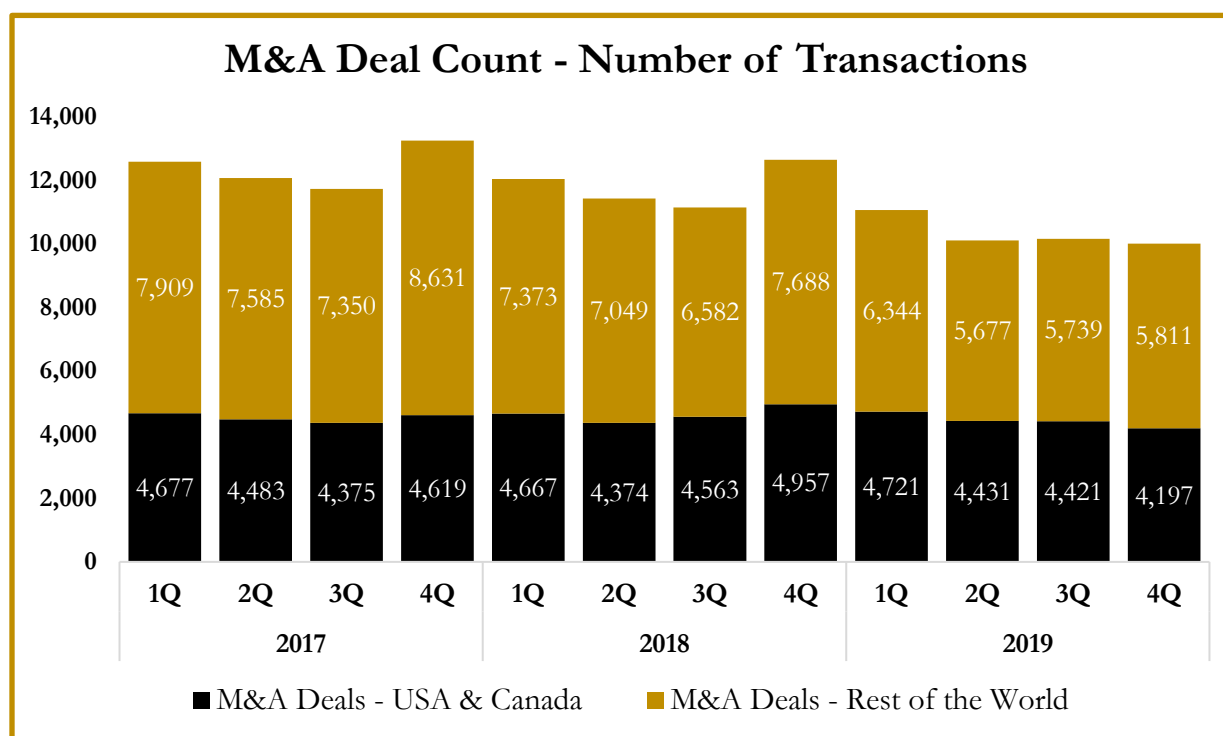
S&P Capital IQ - Sector Last 3 Month Equity Performance As of December 31, 2019



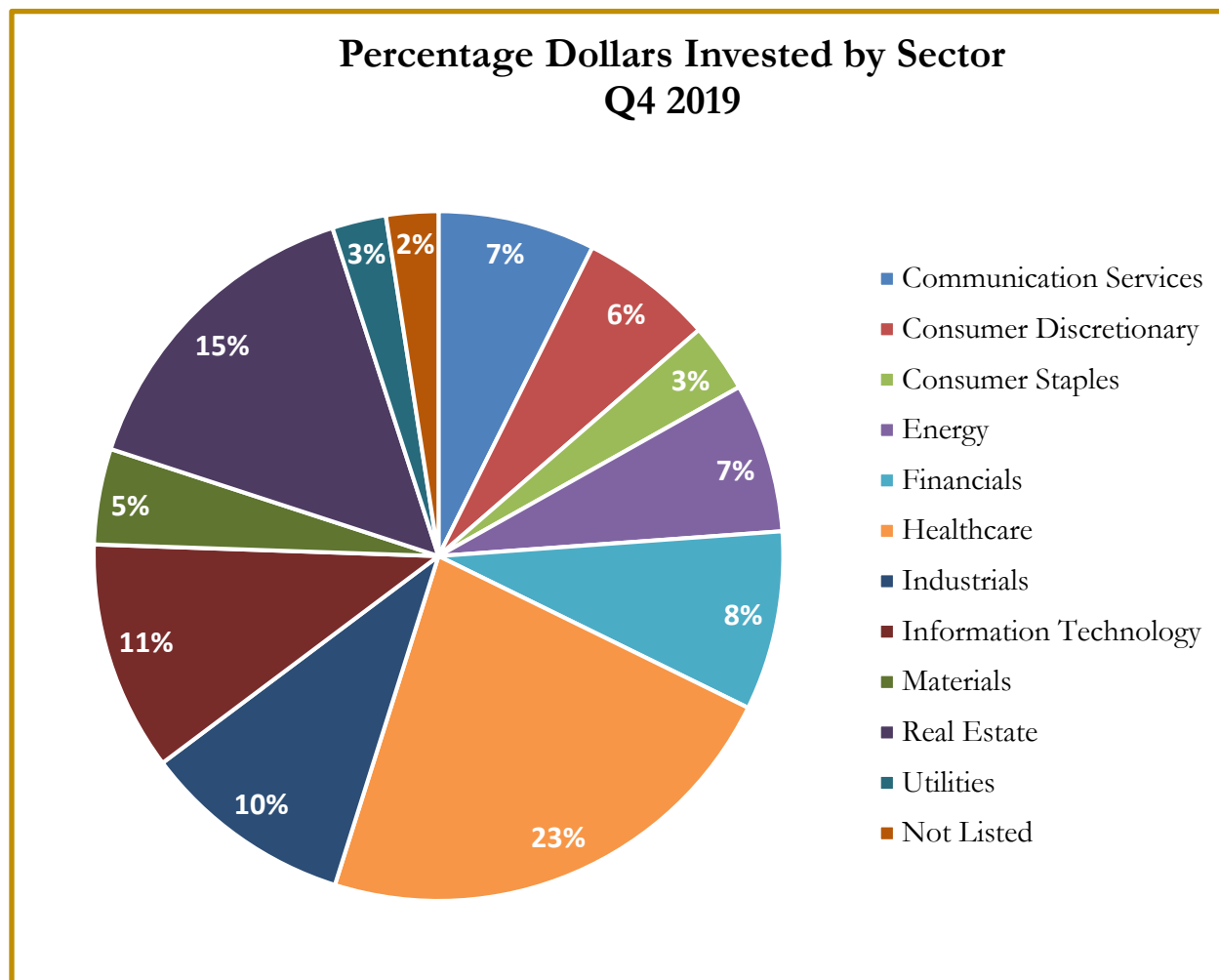
Note: The indices are derived from the equity performance of the S&P Capital IQ Sectors. Source: Capital IQ

M&A Deal Flow Statistics by S&P Capital IQ Sector

As of December 31, 2019



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





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.

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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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