



Industry Update

# Insurance

Q4 2020

## 1

# Financial Performance

## Size Profile, LTM Financials, Forward Estimates

(USD in millions, except per share data)

Company Name	Ticker	Size Profile			LTM Operating Data		Forward Estimates		
		Price at 12/31/20	% of 52 Week High	TEV	Total Assets	LTM Revenue	LTM EBITDA	2021 Est. Revenue	2021 Est. EBITDA
<b>Property and Casualty</b>									
Fidelity National Financial, Inc.	FNF	\$39.09	79.3%	\$11,868	\$49,885	\$9,413	\$1,659	\$10,133	\$2,121
First American Financial Corporation	FAF	\$51.63	77.3%	\$6,365	\$12,639	\$6,664	\$1,098	\$6,352	\$948
AMERISAFE, Inc.	AMSF	\$57.43	71.2%	\$982	\$1,547	\$343	\$115	\$311	\$0
Stewart Information Services Corporation	STC	\$48.36	92.9%	\$1,122	\$1,820	\$2,112	\$253	\$2,299	\$221
<b>Life and Health</b>									
MetLife, Inc.	MET	\$46.95	88.1%	\$132,529	\$780,492	\$65,567	\$8,062	\$64,664	\$0
Prudential Financial, Inc.	PRU	\$78.07	80.3%	\$48,496	\$911,589	\$60,169	\$650	\$57,266	\$0
Aflac Incorporated	AFL	\$44.47	83.2%	\$35,992	\$160,955	\$21,837	\$4,272	\$21,782	\$0
Unum Group	UNM	\$22.94	75.0%	\$8,175	\$69,616	\$11,923	\$1,521	\$11,769	\$0
CNO Financial Group, Inc.	CNO	\$22.23	94.6%	\$6,079	\$34,569	\$3,814	\$732	\$3,531	\$0
<b>Insurance Brokers</b>									
Marsh & McLennan Companies, Inc.	MMC	\$117.00	96.7%	\$67,859	\$33,030	\$17,224	\$4,064	\$18,091	\$4,769
Arthur J. Gallagher & Co.	AJG	\$123.71	95.8%	\$26,755	\$22,331	\$6,782	\$1,633	\$7,152	\$1,883
Brown & Brown, Inc.	BRO	\$47.41	97.4%	\$13,809	\$8,967	\$2,606	\$804	\$2,847	\$878
eHealth, Inc.	EHTH	\$70.61	46.4%	\$1,184	\$961	\$591	\$111	\$753	\$148
Crawford & Company	CRD.B	\$7.20	70.3%	\$626	\$740	\$972	\$80	\$986	\$102

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## Valuation Metrics

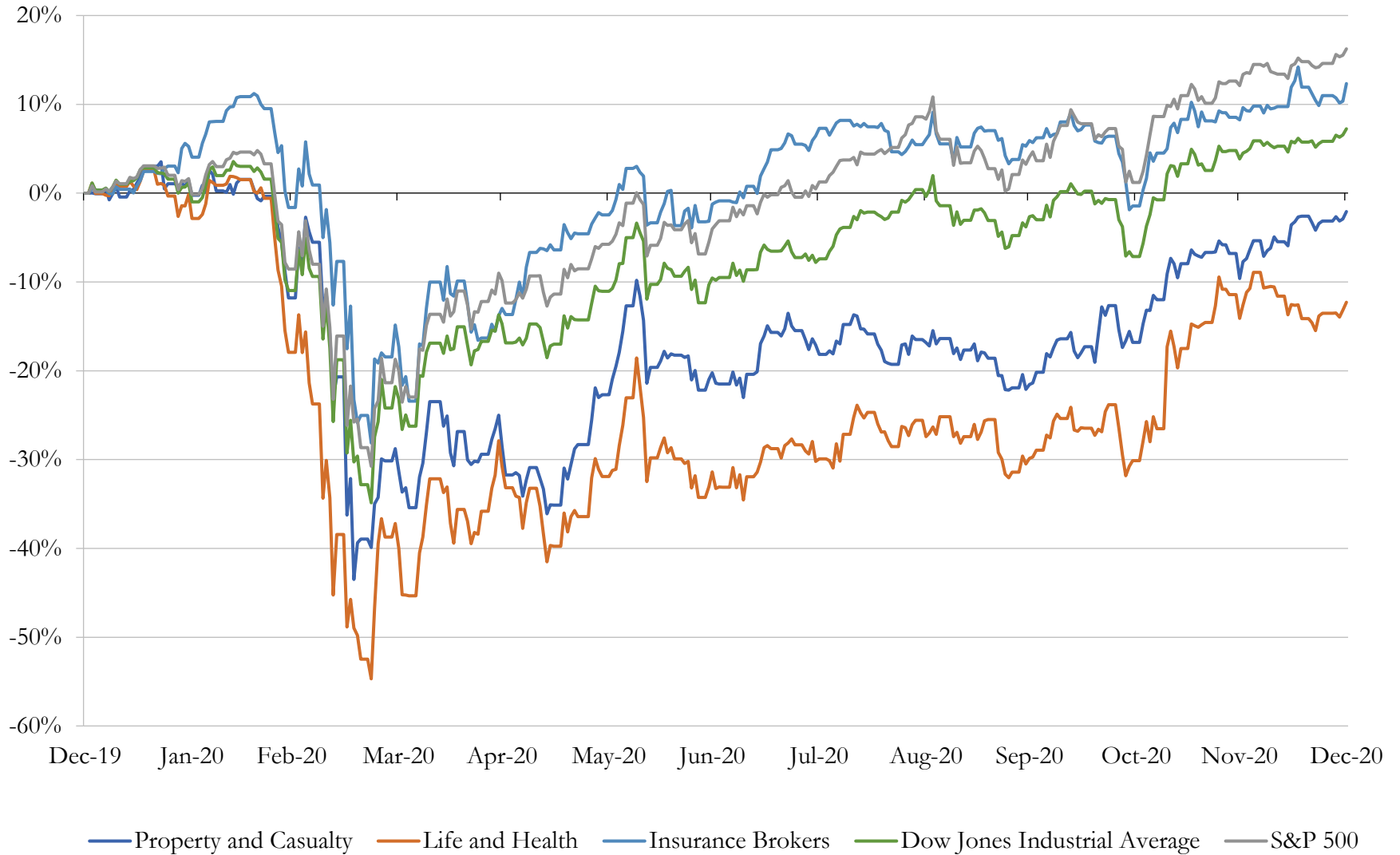
## Return Profile, Trading Multiples

Company Name	Ticker	Return Profile					Trading Multiples		
		Return on Assets	Return on Equity	Revenue Growth	EBITDA Margin	EBITDA Growth	5-yr Beta	TEV / LTM Revenue	TEV / LTM EBITDA
<b>Property and Casualty</b>									
Fidelity National Financial, Inc.	FNF	3.0%	16.0%	20.5%	17.6%	35.1%	1.3x	1.3x	7.2x
First American Financial Corporation	FAF	4.9%	14.3%	13.1%	16.5%	20.2%	1.2x	1.0x	5.8x
AMERISAFE, Inc.	AMSF	4.6%	19.4%	-8.0%	33.6%	19.7%	0.3x	2.9x	8.5x
Stewart Information Services Corporation	STC	8.7%	12.7%	14.1%	12.0%	103.4%	1.0x	0.5x	4.4x
	Mean	5.3%	15.6%	9.9%	19.9%	44.6%	1.0x	1.4x	6.5x
	Median	4.7%	15.2%	13.6%	17.1%	27.7%	1.1x	1.1x	6.5x
<b>Life and Health</b>									
MetLife, Inc.	MET	0.6%	8.2%	-3.8%	12.3%	-22.5%	1.3x	2.0x	16.4x
Prudential Financial, Inc.	PRU	0.0%	0.0%	-6.4%	1.1%	-88.3%	1.7x	0.8x	74.6x
Aflac Incorporated	AFL	1.7%	14.9%	0.0%	19.6%	-2.6%	1.0x	1.6x	8.4x
Unum Group	UNM	1.3%	9.3%	0.7%	12.8%	-6.2%	1.7x	0.7x	5.4x
CNO Financial Group, Inc.	CNO	0.8%	9.7%	2.4%	19.2%	16.6%	1.4x	1.6x	8.3x
	Mean	0.9%	8.4%	-1.4%	13.0%	-20.6%	1.4x	1.4x	22.6x
	Median	0.8%	9.3%	0.0%	12.8%	-6.2%	1.4x	1.6x	8.4x
<b>Insurance Brokers</b>									
Marsh & McLennan Companies, Inc.	MMC	6.5%	23.8%	3.4%	23.6%	0.4%	0.9x	3.9x	16.7x
Arthur J. Gallagher & Co.	AJG	3.2%	15.0%	-1.7%	24.1%	31.3%	0.7x	3.9x	16.4x
Brown & Brown, Inc.	BRO	5.0%	13.5%	9.3%	30.8%	6.3%	0.7x	5.3x	17.2x
eHealth, Inc.	EHTH	8.6%	12.3%	74.2%	18.8%	328.4%	-0.3x	2.0x	10.6x
Crawford & Company	CRD.B	4.7%	4.6%	-4.9%	8.2%	-23.9%	0.8x	0.6x	7.8x
	Mean	5.6%	13.8%	16.1%	21.1%	68.5%	0.6x	3.2x	13.7x
	Median	5.0%	13.5%	3.4%	23.6%	6.3%	0.7x	3.9x	16.4x

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## LTM Equity Performance

Major Indexes



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## Recent M&amp;A Activity

*Last Twelve (12) Months as of December 31, 2020*

(USD in millions)

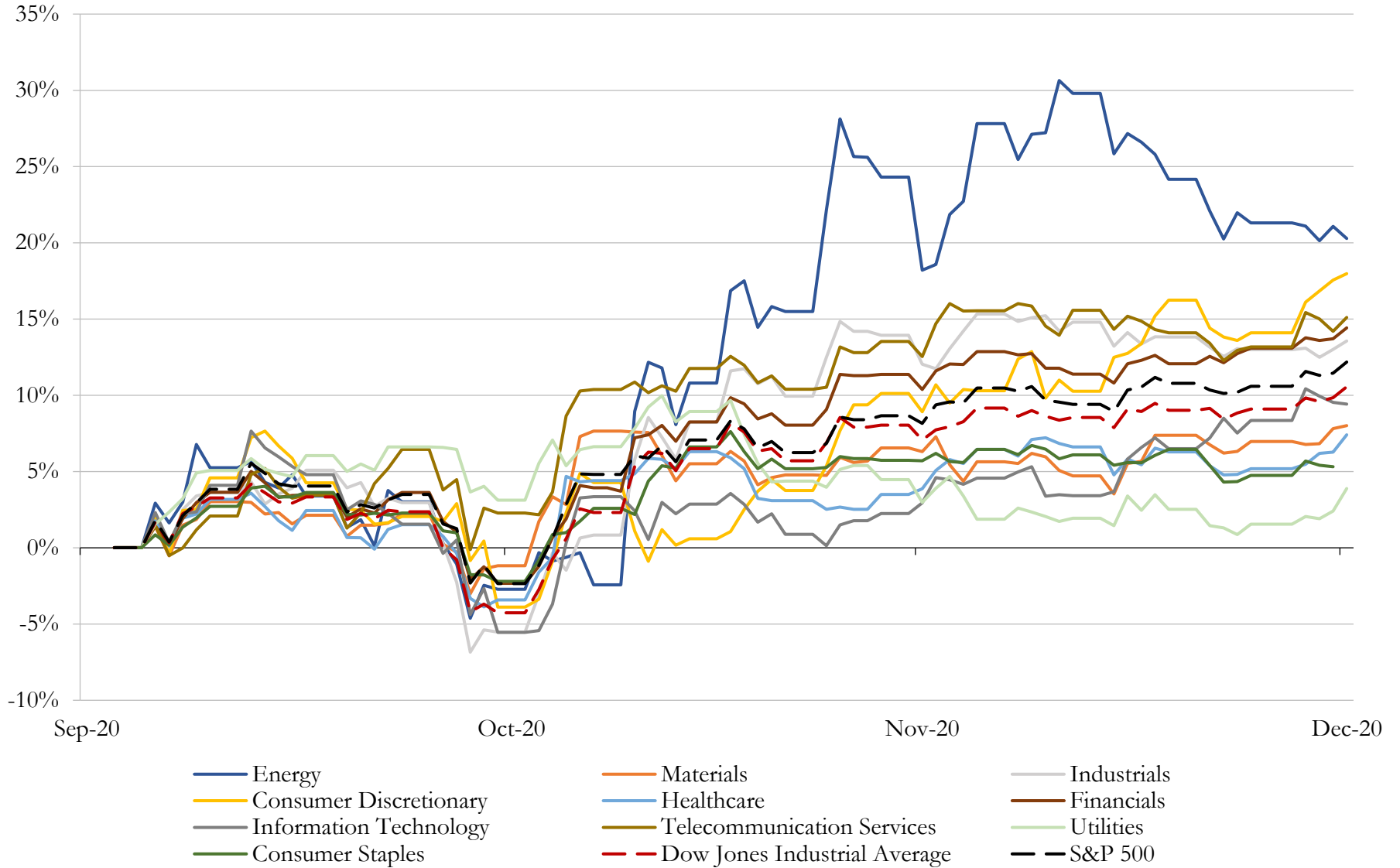
Close Date	Target	Acquirer	Implied TEV
Sep-20	57 Title Offices in the States of Arizona, Colorado, and Nevada	Stewart Title Company	\$105
Dec-20	EPG Insurance, Inc.	Assurant, Inc.	\$43
Dec-20	Tyler Insurance Services, Inc.	First MainStreet Insurance, L.C.	NA
Dec-20	Compensation Systems Northwest, Inc	Alera Group, Inc.	NA
Dec-20	J.W. Edens & Company, Inc.	World Insurance Associates LLC	NA
Dec-20	Bush Insurance	World Insurance Associates LLC	NA
Dec-20	Granite Group Benefits, LLC	Alera Group, Inc.	NA
Dec-20	International Specialty Insurance Services Inc.	Exceptional Risk Advisors, LLC	NA
Dec-20	Creative Planning Benefits, LLC	USI Insurance Services, LLC	NA
Dec-20	True & Associates	World Insurance Associates LLC	NA
Dec-20	McEver & Tribble, Inc.	Rhodes Risk Advisors, LLC	NA
Dec-20	Borden Perlman Insurance Agency, Inc.	CBIZ, Inc.	NA
Dec-20	Porter & Curtis, LLC	Heffernan Insurance Brokers, Inc.	NA
Dec-20	Staffing Insurance Business of World Wide Specialty Programs, Inc.	Philadelphia Consolidated Holding Corp.	NA
Dec-20	Two Rivers Insurance/Employee Benefits Systems	World Insurance Associates LLC	NA
Dec-20	Two Rivers Insurance Company, Inc.	World Insurance Associates LLC	NA
Dec-20	Royal Chartered Insurance, Limited Liability Company	IORC Export & Credit Insurance Corporation	NA
Dec-20	80% of interests of Xchange Benefits, LLC /Xchange Affinity Underwriting	Ambac Financial Group, Inc.	NA
Dec-20	Hutchinson-Traylor Insurance Agency/Waites & Foshee Insurance,	Mcginty Gordon & Associates Inc.	NA
Dec-20	All Assets of Tanner, Ballew & Maloof, Inc.	Baldwin Krystyn Sherman Partners, LLC	NA
Dec-20	Burnham Benefits Insurance Services/Burnham Gibson Wealth	Baldwin Krystyn Sherman Partners, LLC	NA
Dec-20	GAINSCO, Inc.	State Farm Mutual Automobile Insurance Company	NA
Dec-20	Life and Disability Insurance Business of Cigna Corporation	New York Life Insurance Company	NA
Dec-20	Loss Portfolio Of Pacific Pioneer Insurance Company	Accredited Surety and Casualty Company, Inc.	NA
Dec-20	H&A Legacy, Inc.	Arthur J. Gallagher & Co.	NA
Dec-20	Dawson Taylor & Company	AssuredPartners, Inc.	NA
Dec-20	Coastal Insurance Underwriters, Inc.	Constellation Affiliated Partners LLC	NA
Dec-20	Brokers' Risk Placement Service, Inc	One80 Intermediaries, LLC	NA
Dec-20	CBIA Insurance Agency, LLC	Inszone Insurance Services, Inc.	NA
Dec-20	Pinnacle Surety Services, inc./Allied Bonding	Alliant Insurance Services, Inc.	NA

Source: Capital IQ

# 5 Change in Market Capitalization by Sector

Last Three (3) Months as of December 31, 2020

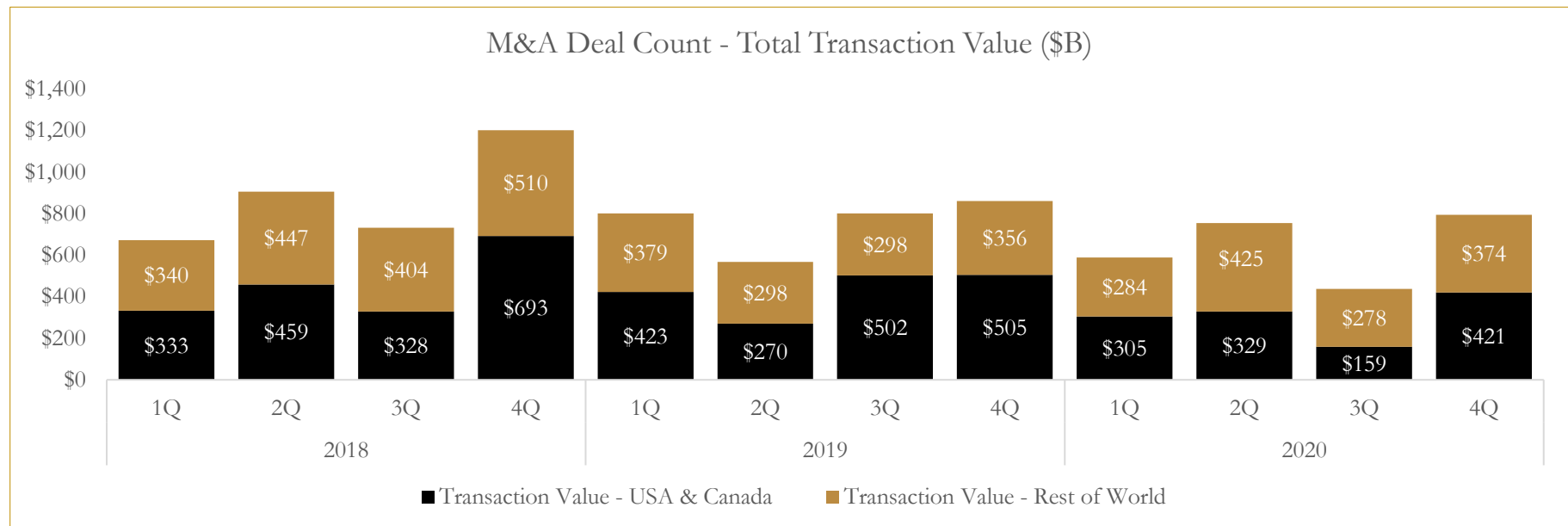
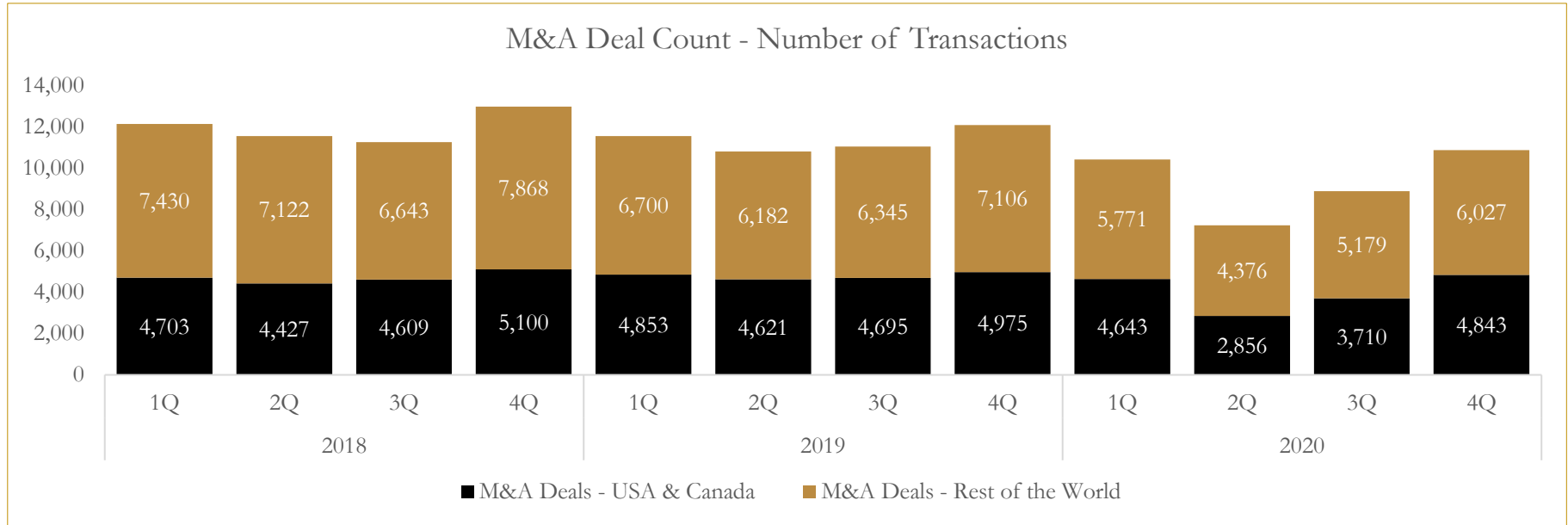
### Change in Market Cap by S&P Capital IQ Sector



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## M&A Deal Flow Statistics

Last Three (3) Years as of December 31, 2020



## 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.

## Contact:

**Andrew Smith**

President

[asmith@houlihancapital.com](mailto:asmith@houlihancapital.com)

(312) 450-8610

**Paul Clark**

Managing Director

[pclark@houlihancapital.com](mailto:pclark@houlihancapital.com)

(312) 450-8656

**Michael Norton**

Director, Business Development

[mnorton@houlihancapital.com](mailto:mnorton@houlihancapital.com)

(312) 450-8628

**Monica Blocker**

Director, Business Development

[mblocker@houlihancapital.com](mailto:mblocker@houlihancapital.com)

(312) 450-8699