

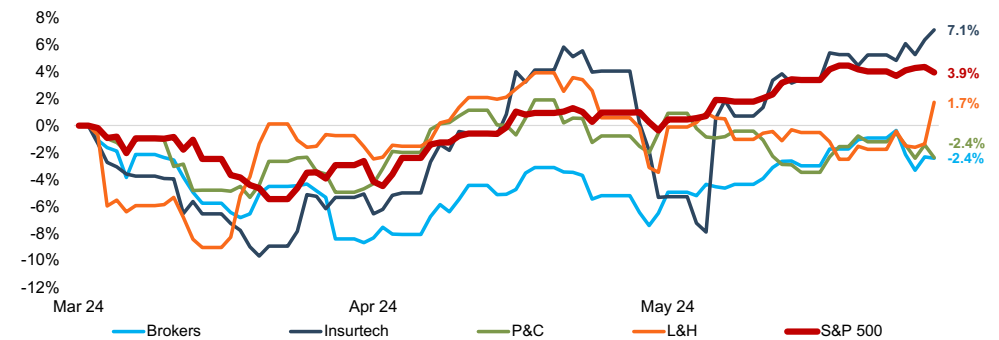
Second Quarter 2024

SECTOR PERFORMANCE UPDATE

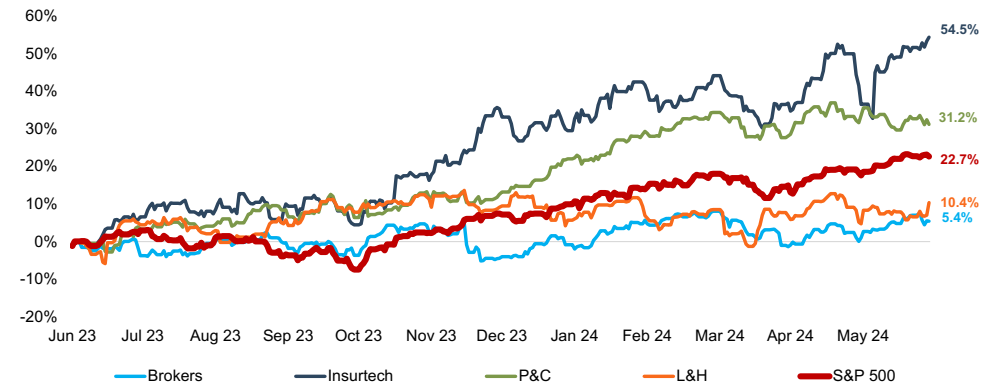
Insurtech leads all sectors in Q2-2024; Market shows strong appetite for insurance IPOs

- The S&P 500 rose 3.9% in the second quarter of 2024, building upon its 10.2% gain in 1Q24. Of the four sub-sectors tracked by Mercer Capital, only Insurtech outperformed the market index in the second quarter.
- The market capitalization weighted index of P&C underwriters declined 2.4% in 2Q24 but remains up 31.2% over the last twelve months. Among the larger firms in the index, Progressive and Chubb saw flat performance while Allstate and Travelers were down 7.2% and 11.2%, respectively.
- The public broker index was down 2.4% in the second quarter following a 12.3% rise in 1Q24. Baldwin Insurance Group, the smallest of the group with a market capitalization of ~\$2.4 billion, was up 22.6% for the quarter and is up 47.7% on the year.
- The Insurtech index continued its rally with a gain of 7.1% in 2Q24 and a return of 54.5% over the last twelve months. The direct-to-consumer distribution platform SelectQuote was the top performer in the second quarter with a return of 38.0%.
- The Life & Health index, which includes both traditional life insurers and managed care companies, rose 1.7% in the second quarter and is up 10.4% over the last twelve months.
- The IPOs of specialty underwriter Bowhead Specialty (NYSE:BOW) and insurance brokerage The Woodlands Financial Group (NASDAQ:TWFG) were favorably received in the markets. BOW's offering priced at \$17/share (above \$14-\$16 range), opened at \$23/sh, and ended the quarter at ~\$25/sh. Following the quarter-end, TWFG also priced at \$17 (above \$14-16 range) and is trading at ~\$23/sh (through July 29).

2Q 2024 Stock Price Performance



Last Twelve Months Stock Price Performance Through June 30, 2024

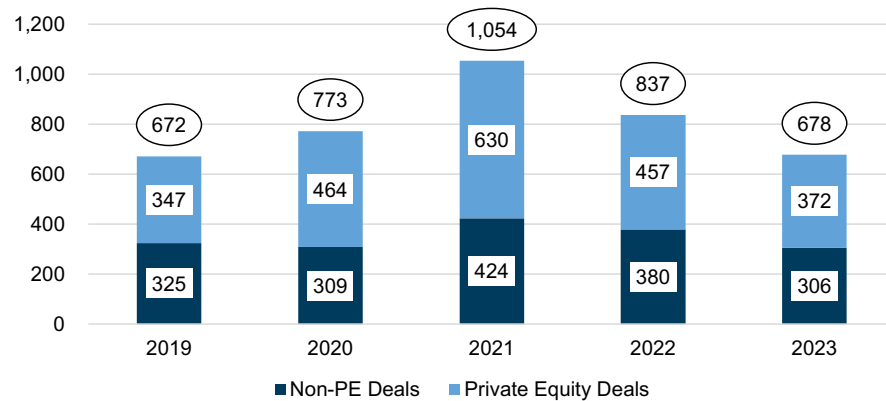


Individual sub-sector performance represented by market capitalization weighted indices for each group.

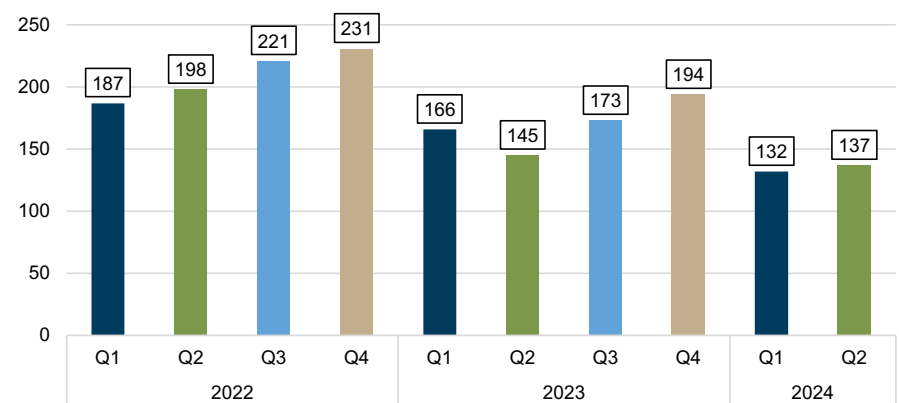
Source: Bloomberg LP; Mercer Capital Analysis

M&A TRANSACTION TRENDS

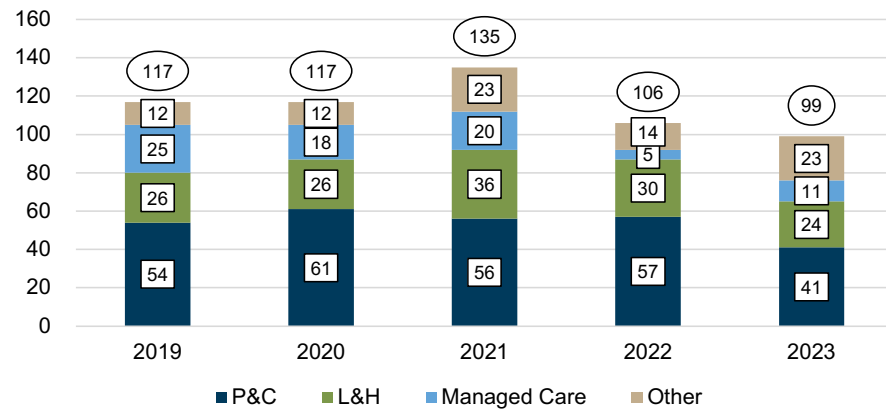
Insurance Brokers: 5-Year M&A Trend



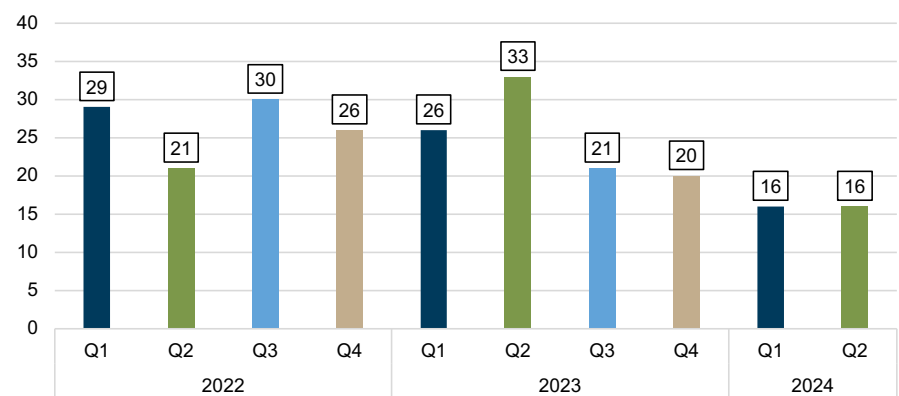
Insurance Brokers: Quarterly M&A Trend



Insurance Underwriters: 5-Year M&A Trend





Insurance Underwriters: Quarterly M&A Trend







Source: S&P Capital IQ Pro; Mercer Capital Analysis. Reflects US deals only.

SECTOR PRICING AND VALUATION SUMMARY

As of June 30, 2024

Segment	MARKET PRICING			MULTIPLES			
	Share Performance			EV / EBITDA		EV / Revenue	
	%52wk High	%Q/Q	%Y/Y	LTM	NTM	LTM	NTM
 Insurance Brokers	95.4%	2.3%	18.1%	17.2x	14.2x	5.1x	4.6x
 InsurTech	81.2%	-5.9%	27.7%	24.1x	19.6x	1.6x	1.1x

As of June 30, 2024

Segment	MARKET PRICING			MULTIPLES			
	Share Performance			Price/Earnings		Price/Book	
	%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB
 P&C (Specialty)	90.1%	-4.6%	13.9%	13.8x	16.6x	2.5x	2.8x
 P&C (Standard)	88.7%	-4.9%	21.4%	14.3x	12.1x	1.7x	1.9x
 L&H (Life Ins & Annuities)	92.2%	-3.7%	19.6%	8.9x	8.3x	1.5x	1.5x
 L&H (Health & Managed Care)	81.4%	2.9%	6.0%	21.x	14.1x	3.0x	8.0x

MARKET SNAPSHOT

BROKERS		MARKET PRICING					MULTIPLES				GROWTH & MARGIN		
Ticker	Name	6/30/2024 Stock Price	Mkt Cap (\$M)	Share Performance			EV / EBITDA		EV / Revenue		Revenue Growth		EBITDA Margin
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM	
MMC	Marsh & McLennan Companies, Inc.	210.72	103,997	97.2%	2.3%	12.0%	17.2x	16.6x	5.1x	4.8x	10.4%	6.6%	29.5%
AON	Aon plc	293.58	63,833	85.2%	-12.0%	-15.0%	17.0x	14.2x	5.5x	4.6x	7.1%	21.0%	32.5%
WTW	Willis Towers Watson Public Limited Co.	262.14	26,800	94.0%	-4.7%	11.3%	12.8x	12.0x	3.3x	3.1x	7.0%	5.3%	25.9%
AJG	Arthur J. Gallagher & Co.	259.31	56,663	97.3%	3.7%	18.1%	20.0x	17.0x	6.3x	5.3x	18.7%	18.4%	31.6%
BRO	Brown & Brown, Inc.	89.41	25,504	95.4%	2.1%	29.9%	20.0x	17.8x	6.7x	6.1x	15.0%	9.1%	33.4%
Ryan	Ryan Specialty Holdings, Inc.	57.91	6,895	94.5%	4.3%	29.0%	16.7x	10.9x	4.2x	3.4x	19.4%	21.1%	24.9%
BRP	BRP Group, Inc.	35.47	2,346	98.5%	22.6%	43.1%	25.4x	11.8x	3.2x	2.9x	18.7%	13.4%	12.8%
Group Median			26,800	95.4%	2.3%	18.1%	17.2x	14.2x	5.1x	4.6x	15.0%	13.4%	29.5%

MARKET SNAPSHOT

INSURTECH		MARKET PRICING					MULTIPLES				GROWTH & MARGIN		
Ticker	Name	6/30/2024 Stock Price	Mkt Cap (\$M)	Share Performance			EV / EBITDA		EV / Revenue		Revenue Growth		EBITDA Margin
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	LTM	NTM	LTM	NTM	
CCCS	CCC Intelligent Solutions Holdings Inc.	11.11	6,907	82.8%	-7.1%	-0.9%	46.8x	18.9x	8.5x	7.8x	11.0%	9.1%	18.3%
CRVL	CorVel Corporation	254.27	4,364	90.4%	-3.3%	31.4%	35.4x	nm	5.4x	nm	10.7%	nm	15.3%
EHTH	eHealth, Inc.	4.53	132	44.4%	-24.9%	-43.7%	nm	27.5x	0.7x	0.7x	26.3%	0.3%	-3.3%
EVER	EverQuote, Inc.	20.86	724	81.2%	12.4%	220.9%	nm	22.2x	2.5x	1.7x	-33.0%	49.9%	-8.1%
GOCO	GoHealth, Inc.	9.72	97	46.0%	-7.5%	-50.7%	24.1x	9.0x	1.0x	1.0x	35.4%	3.1%	4.2%
GWRE	Guidewire Software, Inc.	137.89	11,398	98.6%	18.1%	81.2%	nm	67.8x	11.5x	10.4x	9.0%	10.5%	-4.6%
HGTY	Hagerty, Inc.	10.40	891	97.9%	13.7%	11.1%	14.7x	9.5x	1.2x	1.1x	25.7%	14.9%	8.5%
HIPO	Hippo Holdings Inc.	17.19	420	67.4%	-5.9%	4.0%	nm	nm	0.8x	0.6x	88.9%	48.3%	-83.0%
LMND	Lemonade, Inc.	16.50	1,163	66.5%	0.5%	-2.1%	nm	nm	2.1x	1.7x	47.5%	21.2%	-40.4%
MAX	MediaAlpha, Inc.	13.17	679	51.1%	-35.3%	27.7%	nm	10.3x	1.9x	1.2x	-5.8%	58.2%	-3.9%
QNST	QuinStreet, Inc.	16.59	917	84.7%	-6.1%	87.9%	nm	20.4x	1.6x	1.2x	-8.6%	34.0%	-2.7%
ROOT	Root, Inc.	51.61	770	59.6%	-15.5%	477.3%	nm	29.8x	0.8x	0.5x	116.5%	75.5%	-8.5%
SLQT	SelectQuote, Inc.	2.76	467	82.3%	38.0%	41.5%	17.7x	8.9x	0.9x	0.8x	34.3%	22.3%	5.2%
Group Median			770	81.2%	-5.9%	27.7%	24.1x	19.6x	1.6x	1.1x	25.7%	21.8%	-3.3%

MARKET SNAPSHOT

P&C INSURERS (SPECIALTY)		MARKET PRICING				MULTIPLES				MARGINS & RETURNS				
Ticker	Name	6/30/2024 Stock Price	Mkt Cap (\$M)	Share Performance			Price/Earnings		Price/Book		Loss Ratio	Combined Ratio	Return on Equity	
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB			LTM	NTM
AFG	American Financial Group, Inc.	123.02	10,317	89.3%	-9.9%	3.6%	11.8x	11.0x	2.4x	2.7x	58.6%	90.1%	21.6%	24.1%
JRVR	James River Group Holdings, Ltd.	7.73	292	40.5%	-16.9%	-57.7%	4.4x	4.2x	0.5x	0.9x	66.4%	95.3%	10.8%	12.6%
BOW	Bowhead Specialty Holdings Inc.	25.34	799	92.2%	nm	nm	22.5x	20.5x	3.0x	3.0x	65.5%	98.1%	na	16.7%
KNSL	Kinsale Capital Group, Inc.	385.28	8,968	70.2%	-26.6%	3.0%	25.3x	25.3x	7.7x	7.7x	58.8%	79.5%	35.4%	27.4%
MKL	Markel Group Inc.	1,575.66	20,488	94.3%	3.6%	13.9%	8.5x	17.7x	1.4x	1.9x	60.5%	95.2%	17.1%	7.7%
PLMR	Palomar Holdings, Inc.	81.15	2,023	91.0%	-3.2%	39.8%	22.8x	16.6x	4.0x	4.1x	24.9%	76.9%	19.5%	21.0%
RLI	RLI Corp.	140.69	6,431	94.3%	-5.2%	3.1%	19.2x	24.8x	4.2x	4.4x	39.9%	78.5%	23.6%	18.9%
SKWD	Skyward Specialty Insurance Group, Inc.	36.18	1,447	92.4%	-3.3%	42.4%	12.7x	13.1x	2.1x	2.4x	60.9%	89.6%	17.9%	16.1%
TIPT	Tiptree Inc.	16.49	607	79.3%	-4.6%	9.9%	25.4x	nm	1.4x	5.8x	46.3%	90.3%	9.2%	na
TRUP	Trupanion, Inc.	29.40	1,235	80.2%	6.5%	49.4%	nm	nm	4.1x	5.1x	na	na	-8.9%	na
WRB	W. R. Berkley Corporation	52.39	20,090	88.1%	-11.1%	31.9%	13.8x	13.1x	2.6x	2.6x	60.2%	88.8%	20.7%	20.3%
WTM	White Mountains Insurance Group, Ltd.	1,817.45	4,600	95.7%	1.3%	30.9%	8.2x	nm	1.0x	1.2x	59.4%	91.4%	13.7%	na
Group Median			3,311	90.1%	-4.6%	13.9%	13.8x	16.6x	2.5x	2.8x	59.4%	90.1%	17.9%	18.9%

MARKET SNAPSHOT

P&C INSURERS (STANDARD)		MARKET PRICING					MULTIPLES				MARGINS & RETURNS			
Ticker	Name	6/30/2024 Stock Price	Mkt Cap (\$M)	Share Performance			Price/Earnings		Price/Book		Loss Ratio	Combined Ratio	Return on Equity	
				%52wk High	%Q/Q	%YY	LTM	NTM	P/B	P/TB			LTM	NTM
ALL	The Allstate Corporation	159.66	42,137	90.0%	-7.7%	46.4%	34.4x	12.1x	2.5x	3.2x	72.4%	93.0%	7.3%	20.2%
CB	Chubb Limited	255.08	107,038	92.6%	-1.6%	32.5%	11.2x	11.7x	1.7x	3.0x	58.1%	86.0%	16.0%	13.6%
CINF	Cincinnati Financial Corporation	118.10	18,505	95.0%	-4.9%	21.4%	7.8x	18.3x	1.5x	1.5x	63.8%	93.6%	20.3%	8.0%
CNA	CNA Financial Corporation	46.07	12,498	97.3%	1.4%	19.3%	10.0x	9.1x	1.3x	1.3x	68.8%	97.6%	13.6%	13.4%
DGIC.A	Donegal Group Inc.	12.88	424	84.2%	-8.9%	-10.7%	82.6x	18.8x	0.9x	0.9x	66.3%	102.4%	1.1%	4.2%
ERIE	Erie Indemnity Company	362.40	18,950	86.2%	-9.8%	72.6%	34.6x	35.3x	11.0x	11.0x	na	na	30.1%	na
GBLI	Global Indemnity Group, LLC	31.09	423	84.0%	1.8%	-7.5%	12.4x	12.1x	0.6x	0.7x	55.3%	94.9%	5.3%	na
HIG	The Hartford Financial Services Group, Inc.	100.54	29,735	95.6%	-2.4%	39.6%	11.3x	9.7x	2.0x	2.4x	na	92.8%	18.3%	16.9%
HRTG	Heritage Insurance Holdings, Inc.	7.08	206	63.0%	-33.5%	83.9%	4.3x	4.3x	0.9x	1.1x	56.9%	94.0%	23.4%	18.4%
MCY	Mercury General Corporation	53.14	2,942	88.7%	3.0%	75.6%	13.7x	16.9x	1.8x	1.9x	77.5%	100.9%	14.0%	10.4%
ORI	Old Republic International Corporation	30.90	8,223	95.8%	0.6%	22.8%	12.0x	10.9x	1.3x	1.3x	42.5%	94.3%	11.2%	12.3%
PGR	The Progressive Corporation	207.71	121,655	95.4%	0.4%	56.9%	17.7x	19.4x	5.2x	5.2x	na	na	34.5%	29.9%
SAFT	Safety Insurance Group, Inc.	75.03	1,113	84.6%	-8.7%	4.6%	21.5x	nm	1.4x	1.4x	71.3%	101.9%	6.4%	na
SIGI	Selective Insurance Group, Inc.	93.83	5,704	85.6%	-14.1%	-2.2%	16.5x	12.6x	2.0x	2.0x	67.0%	98.2%	12.5%	14.1%
THG	The Hanover Insurance Group, Inc.	125.44	4,509	90.7%	-7.9%	11.0%	27.9x	11.3x	1.8x	1.9x	64.6%	95.5%	6.6%	15.4%
TRV	The Travelers Companies, Inc.	203.34	46,564	87.4%	-11.6%	17.1%	14.9x	10.7x	1.9x	2.3x	65.2%	93.9%	13.1%	15.4%
UFCS	United Fire Group, Inc.	21.49	544	84.1%	-1.3%	-5.2%	nm	17.9x	0.7x	0.7x	64.0%	98.9%	-2.3%	3.8%
Group Median			8,223	88.7%	-4.9%	21.4%	14.3x	12.1x	1.7x	1.9x	64.9%	94.9%	13.1%	13.9%

MARKET SNAPSHOT

LIFE INSURANCE & ANNUITIES		MARKET PRICING					MULTIPLES				RETURNS	
Ticker	Name	6/30/2024 StockPrice	Mkt Cap (\$M)	Share Performance			Price/Earnings		Price/Book		Return on Equity	
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB	LTM	NTM
AFL	Aflac Incorporated	89.31	50,748	98.0%	4.0%	28.0%	9.8x	13.8x	2.2x	2.2x	24.7%	na
BHF	Brighthouse Financial, Inc.	43.34	2,692	77.1%	-15.9%	-8.5%	nm	2.4x	0.6x	0.6x	-21.8%	na
CIA	Citizens, Inc.	2.72	135	73.7%	27.1%	12.9%	5.6x	8.8x	0.7x	0.7x	13.8%	na
CNO	CNO Financial Group, Inc.	27.72	3,001	95.3%	0.9%	17.1%	8.0x	8.4x	1.3x	1.3x	17.7%	na
CRBG	Corebridge Financial, Inc.	29.12	17,718	84.0%	1.4%	64.9%	7.6x	5.7x	1.5x	1.5x	18.6%	na
GL	Globe Life Inc.	82.28	7,592	62.3%	-29.3%	-24.9%	7.8x	6.8x	1.5x	1.7x	22.5%	na
GNW	Genworth Financial, Inc.	6.04	2,630	87.2%	-6.1%	20.8%	29.3x	9.7x	0.3x	0.3x	2.5%	na
JXN	Jackson Financial Inc.	74.26	5,663	91.1%	12.3%	142.6%	1.9x	4.2x	0.6x	0.6x	32.8%	na
LNC	Lincoln National Corporation	31.10	5,288	93.3%	-2.6%	20.7%	4.2x	4.5x	0.8x	1.0x	18.9%	na
MET	MetLife, Inc.	70.19	49,914	94.0%	-5.3%	24.2%	24.1x	7.8x	1.8x	2.6x	7.8%	na
PFG	Principal Financial Group, Inc.	78.45	18,387	90.4%	-9.1%	3.4%	14.5x	10.1x	1.6x	2.3x	12.1%	na
PRI	Primerica, Inc.	236.58	8,141	92.2%	-6.5%	19.6%	14.4x	12.9x	3.7x	4.3x	28.6%	na
PRU	Prudential Financial, Inc.	117.19	42,080	96.5%	-0.2%	32.8%	19.8x	8.4x	1.5x	1.5x	7.1%	na
UNM	Unum Group	51.11	9,679	93.7%	-4.8%	7.1%	7.6x	6.2x	1.0x	1.0x	13.6%	na
VOYA	Voya Financial, Inc.	71.15	7,165	92.4%	-3.7%	-0.8%	9.8x	8.3x	1.7x	2.8x	15.4%	na
Group Median			7,592	92.2%	-3.7%	19.6%	8.9x	8.3x	1.5x	1.5x	15.4%	nm

MARKET SNAPSHOT

HEALTH AND MANAGED CARE		MARKET PRICING					MULTIPLES				RETURNS	
Ticker	Name	6/30/2024 Stock Price	Mkt Cap (\$M)	Share Performance			Price/Earnings		Price/Book		Return on Equity	
				%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB	LTM	NTM
CI	The Cigna Group	330.57	93,906	90.4%	-9.0%	17.8%	26.6x	11.4x	2.3x	nm	9.0%	na
CNC	Centene Corporation	66.30	35,381	81.4%	-15.5%	-1.7%	13.1x	9.4x	1.3x	10.2x	10.4%	na
ELV	Elevance Health, Inc.	541.86	125,938	98.5%	4.5%	22.0%	18.9x	14.1x	3.0x	21.9x	16.6%	na
HUM	Humana Inc.	373.65	45,025	70.4%	7.8%	-16.4%	23.1x	21.9x	2.8x	9.2x	12.1%	na
MOH	Molina Healthcare, Inc.	297.30	17,422	70.1%	-27.6%	-1.3%	16.0x	12.1x	3.9x	6.8x	27.5%	na
OSCR	Oscar Health, Inc.	15.82	3,748	67.5%	6.4%	96.3%	nm	85.5x	3.6x	3.6x	-5.4%	na
UNH	UnitedHealth Group Incorporated	509.26	468,715	91.8%	2.9%	6.0%	33.3x	18.2x	5.0x	5.0x	15.6%	na
Group Median			45,025	81.4%	2.9%	6.0%	21.0x	14.1x	3.0x	8.0x	12.1%	nm

MERCER CAPITAL'S INSURANCE INDUSTRY SERVICES



BUSINESS VALUATION &
FINANCIAL ADVISORY SERVICES

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Mercer Capital provides valuation and transaction advisory services to the insurance industry

SECTORS SERVED

- Independent Agencies & Brokerages
- Retail, Wholesale, MGAs, MGUs
- PE and Sponsor-Backed Platforms
- Bank-Owned Agencies
- Insurance Technology (InsurTech)
- P&C Insurance Underwriters
- Life & Health, Managed Care
- Captives and Risk Retention Groups
- Third-Party Administrators
- Claims Adjusters & Service Providers

SERVICES

- Corporate Valuation
- M&A Representation & Consulting
- Quality of Earnings Analysis
- Tax Compliance Valuation
- Financial Reporting Valuation
- Purchase Price Allocation
- Fairness & Solvency Opinions
- Buy-Sell Agreement Valuation & Consulting
- ESOP/ERISA Valuation
- Litigation & Dispute Resolution Consulting / Testimony

INSURANCE INDUSTRY VALUATION TEAM



Lucas Parris CFA, ASA-BV/A
parrisl@mercercapital.com
901.322.9784



Zachary M. Barber, CPA/ABV
barberz@mercercapital.com
901.322.9718



Travis W. Harms, CFA, CPA/ABV
harmst@mercercapital.com
901.322.9760



Jeff Capwell, CPA
capwellj@mercercapital.com
901.322.9759

ADDITIONAL RESOURCES



WHITEPAPER

Understand the Value of Your Insurance Brokerage

Understanding how insurance agencies and brokerages are actually valued may help you understand how to grow the value of your business and maximize your return when it comes time to sell. This whitepaper provides an informative overview regarding the valuation of insurance brokerages and agencies.



WHITEPAPER

Understand the Value of Your InsurTech Company

Valuing an InsurTech company can be complicated and difficult, but carries important significance for employees, investors, and stakeholders for the company. While all InsurTech companies have differences, including what niche (distribution, claims, benefits, etc.) they operate in or what stage of development the company is in, understanding the value of the business is critically important.



PRESENTATION

Insurance Agency Valuation in Uncertain Times

This presentation, which we've shared with various groups over the last few months, provides an update on the current M&A environment and the valuation issues that impact insurance agencies and brokerages. It also addresses some strategies for family-owned agencies facing perpetuation issues or challenges in this macroeconomic environment.