

INSURANCE INDUSTRY

THIRD QUARTER 2025

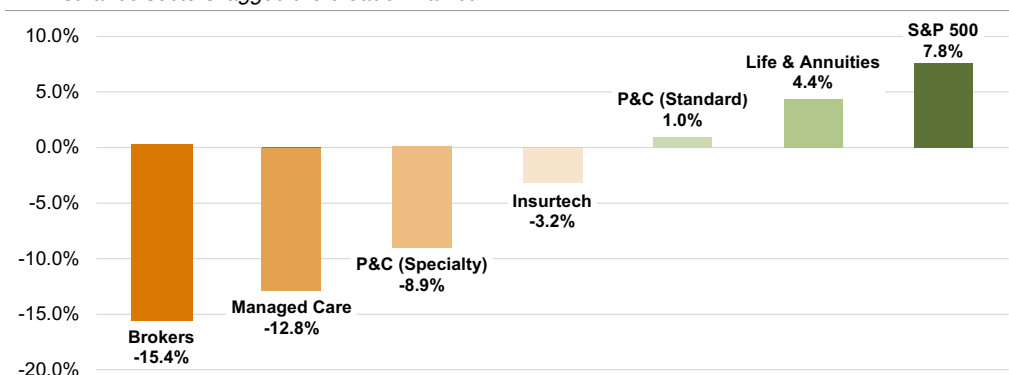
SECTOR PERFORMANCE UPDATE

Insurance sector lagging as valuations ease and M&A slows

- All six insurance segments tracked in Mercer Capital's market-weighted indices continue to lag broader market returns, though this may be driven more by investors' insatiable appetite for Mag-7 stocks as opposed to insurance industry pessimism.
- Nevertheless, valuation multiples are moderating from earlier peak levels, particularly for insurance brokers and specialty/E&S underwriters. At the median, shares for publicly-traded insurance brokers are now at 75% of their 52-week high. The median multiple of forward EBITDA has also declined from 18.6x in Q1 to 14.5x at September 30.
- These pullbacks are indicative of the continuing softening of the commercial insurance market, which weighs on organic growth figures and has the potential to pressure margins.
- Through the first nine months of 2025, both broker and underwriter M&A transaction volume is down 20% from the prior year, though these figures may move slightly as there is often a lag in transaction reporting.
- One surprising transaction in the third quarter was Sompo Holdings' \$3.5 billion acquisition of specialty P&C (re)insurer Aspen Insurance in late August (a 36% premium to its trading price and a multiple of ~1.3x tangible book value). Aspen had only recently completed its IPO in May.
- Other notable M&A transactions during the quarter included Skyward Specialty's \$555 million acquisition of Apollo (a Lloyd's underwriting platform) and Aon's divestiture of NFP's wealth business to Madison Dearborn Partners for \$2.7 billion.

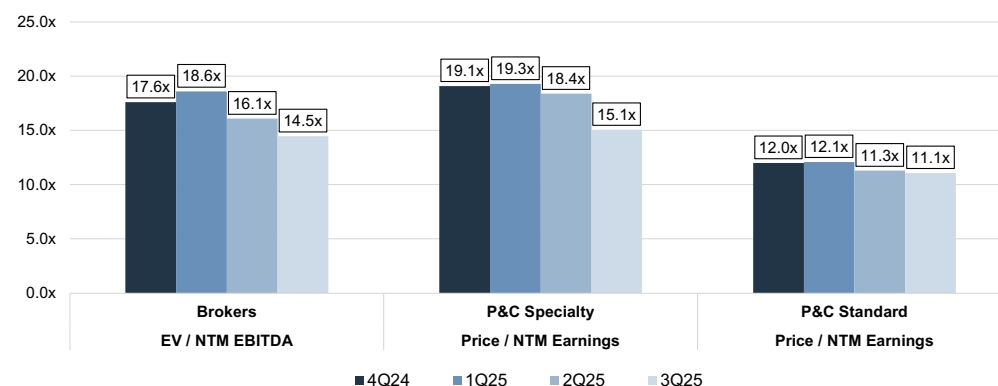
3Q 2025 Stock Price Performance

All insurance sectors lagged the broader market



Valuation Multiple Progression Through 2025

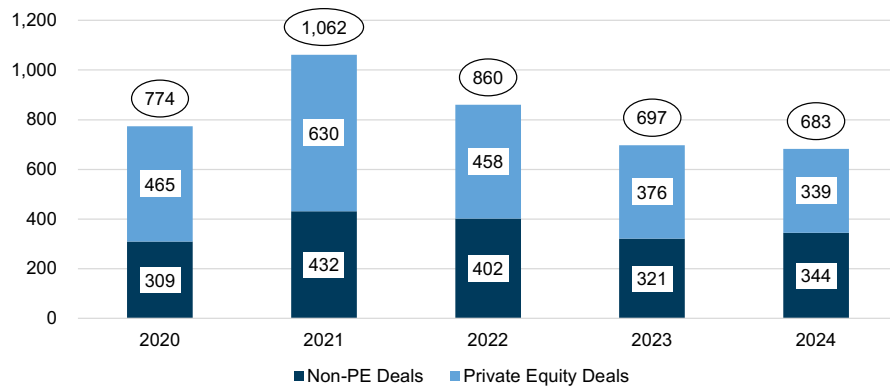
Multiples are moderating for Brokers and Specialty Insurers; Standard Lines P&C are stable



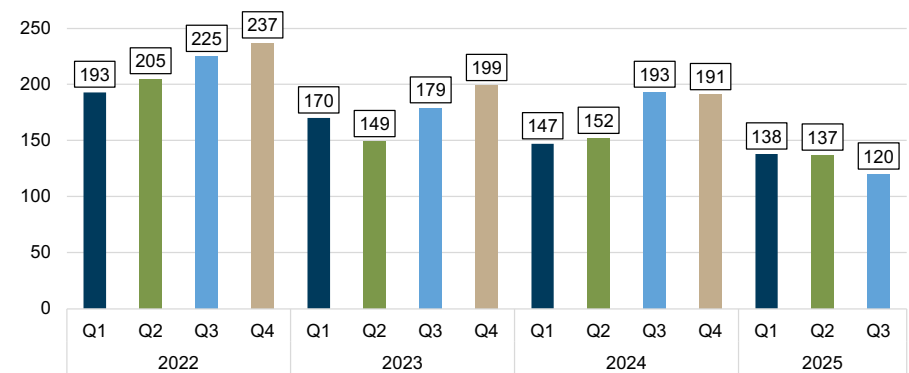
Individual sub-sector performance represented by market capitalization weighted indices for each group.
Source: S&P Capital IQ Pro.; Mercer Capital Analysis

M&A TRANSACTION TRENDS

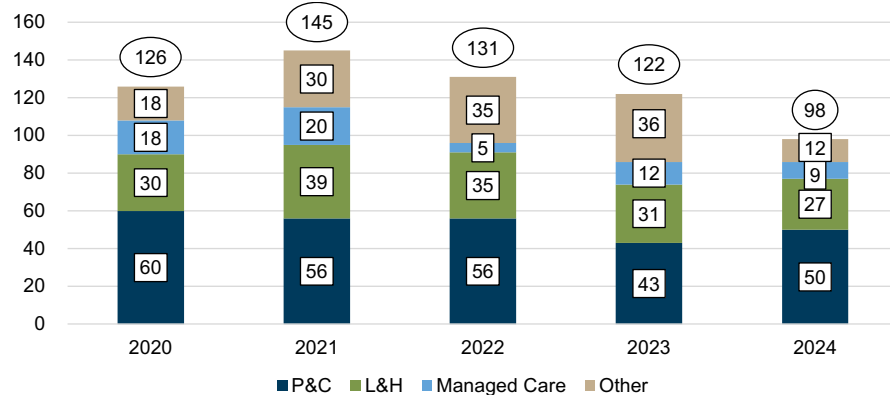
Insurance Brokers: 5-Year M&A Trend



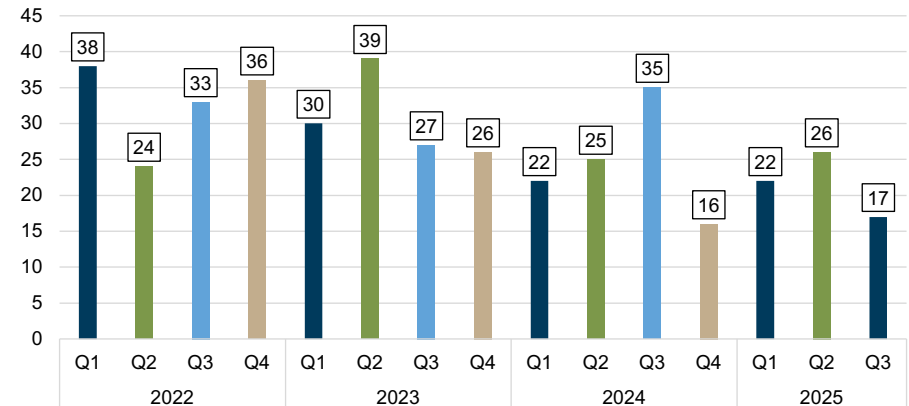
Insurance Brokers: Quarterly M&A Trend



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 September 30, 2025

		MARKET PRICING			MULTIPLES			
Segment		Share Performance			EV / EBITDA		EV / Revenue	
		%52wk High	%Q/Q	%Y/Y	LTM	NTM	LTM	NTM
	Insurance Brokers	74.6%	-15.4%	-9.5%	17.5x	14.5x	6.0x	5.0x
	InsurTech	65.5%	-3.2%	5.6%	21.9x	10.4x	2.4x	1.1x

As of September 30, 2025

		MARKET PRICING			MULTIPLES			
Segment		Share Performance			Price/Earnings		Price/Book	
		%52wk High	%Q/Q	%Y/Y	LTM	NTM	P/B	P/TB
	P&C (Specialty)	77.7%	-8.9%	0.8%	17.6x	15.1x	2.2x	2.7x
	P&C (Standard)	92.0%	1.0%	13.4%	12.x	11.1x	1.7x	2.1x
	L&H (Life Ins & Annuities)	90.2%	4.4%	11.0%	13.9x	8.7x	1.4x	1.4x
	L&H (Health & Managed Care)	61.6%	-12.8%	-37.9%	14.3x	14.1x	1.9x	4.2x

MARKET SNAPSHOT

BROKERS		MARKET PRICING					MULTIPLES				GROWTH & MARGIN		
Ticker	Name	9/30/2025 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.	201.53	99,077	81.3%	-7.8%	-9.7%	15.5x	14.4x	4.5x	4.2x	9.2%	7.7%	29.4%
AON	Aon plc	356.58	76,888	86.3%	-0.1%	3.1%	17.5x	15.5x	5.6x	5.2x	18.3%	7.0%	31.7%
WTW	Willis Towers Watson Public Limited Company	345.45	33,698	99.8%	12.7%	17.3%	14.3x	13.6x	3.8x	3.8x	1.3%	0.7%	26.4%
AJG	Arthur J. Gallagher & Co.	309.74	79,406	88.2%	-3.2%	10.1%	23.8x	14.6x	6.8x	5.0x	11.2%	35.9%	28.4%
BRO	Brown & Brown, Inc.	93.79	30,936	74.6%	-15.4%	-9.5%	17.4x	12.1x	6.0x	4.3x	11.4%	40.5%	34.4%
RYAN	Ryan Specialty Holdings, Inc.	56.36	14,862	73.0%	-17.1%	-15.1%	24.3x	17.1x	6.8x	5.7x	23.8%	20.0%	28.0%
BWIN	The Baldwin Insurance Group, Inc.	28.21	3,348	50.5%	-34.1%	-43.4%	[28.4x]	14.3x	3.6x	3.3x	11.4%	10.6%	12.7%
GSHD	Goosehead Insurance, Inc	74.42	2,776	57.1%	-29.5%	-16.7%	[35.6x]	24.1x	8.6x	7.4x	23.7%	16.5%	24.1%
TWFG	TWFG, Inc.	27.44	1,541	74.5%	-21.6%	1.2%	[41.4x]	[29.4x]	7.3x	6.3x	nm	15.8%	17.7%
Group Median			30,936	74.6%	-15.4%	-9.5%	17.5x	14.5x	6.0x	5.0x	11.4%	15.8%	28.0%
<i>excluding outliers [in brackets]</i>													

MARKET SNAPSHOT

INSURTECH		MARKET PRICING					MULTIPLES				GROWTH & MARGIN		
Ticker	Name	9/30/2025 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	
ARX	Accelerant Holdings	14.89	3,276	47.8%	na	na	30.5x	9.5x	3.6x	2.4x	0.0%	48.3%	11.7%
CCCS	CCC Intelligent Solutions Holdings Inc.	9.11	5,933	70.7%	-3.2%	-17.6%	33.9x	15.7x	6.9x	6.3x	9.6%	10.3%	20.4%
CRVL	CorVel Corporation	77.42	3,973	60.2%	-24.7%	-28.9%	23.8x	nm	4.1x	nm	12.5%	nm	17.3%
EHTH	eHealth, Inc.	4.31	132	37.9%	-0.9%	5.6%	8.3x	11.4x	0.8x	0.9x	16.2%	-3.1%	10.0%
EVER	EverQuote, Inc.	22.87	835	76.2%	-5.4%	8.4%	12.2x	7.3x	1.1x	1.0x	92.9%	10.6%	9.1%
GOCO	GoHealth, Inc.	4.82	138	23.0%	-13.2%	-48.6%	8.3x	6.6x	1.0x	1.0x	17.5%	-0.7%	11.8%
GWRE	Guidewire Software, Inc.	229.86	19,430	84.3%	-2.4%	25.6%	nm	[64.9x]	15.7x	13.5x	22.6%	16.2%	4.3%
HGTY	Hagerty, Inc.	12.04	4,117	90.4%	19.1%	18.4%	35.7x	24.2x	3.5x	3.4x	17.9%	0.9%	9.7%
HIPO	Hippo Holdings Inc.	36.16	905	92.8%	29.5%	114.2%	nm	[60.8x]	1.4x	1.1x	43.1%	21.4%	-11.7%
LMND	Lemonade, Inc.	53.53	3,955	86.3%	22.2%	224.6%	nm	nm	6.1x	4.0x	27.5%	53.8%	-29.5%
MAX	MediaAlpha, Inc.	11.38	773	54.4%	3.9%	-37.2%	9.4x	8.0x	0.7x	0.7x	116.6%	0.8%	7.8%
QNST	QuinStreet, Inc.	15.47	889	58.9%	-3.9%	-19.1%	21.9x	8.3x	0.7x	0.7x	78.3%	8.5%	3.3%
ROOT	Root, Inc.	89.51	1,383	49.4%	-30.1%	136.9%	8.5x	11.4x	0.8x	0.7x	59.8%	10.9%	9.1%
SPNS	Sapiens International Corporation N.V.	43.00	2,404	99.6%	47.0%	15.4%	24.6x	22.9x	4.3x	3.9x	3.1%	10.2%	17.5%
SLQT	SelectQuote, Inc.	1.96	339	28.6%	-17.6%	-9.7%	10.8x	6.9x	0.6x	0.5x	15.5%	11.1%	5.6%
VRSK	Verisk Analytics, Inc.	251.51	35,140	77.9%	-19.3%	-6.1%	26.1x	20.4x	12.6x	11.4x	nm	11.2%	48.5%
Group Median			1,893	65.5%	-3.2%	5.6%	21.9x	10.4x	2.4x	1.1x	17.9%	10.6%	9.4%
<i>excluding outliers [in brackets]</i>													

MARKET SNAPSHOT

P&C INSURERS (SPECIALTY)		MARKET PRICING					MULTIPLES				MARGINS & RETURNS			
Ticker	Name	9/30/2025 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.	145.72	12,152	97.0%	15.5%	8.3%	16.0x	13.5x	2.7x	3.0x	61.1%	93.1%	17.2%	17.3%
AHL	Aspen Insurance Holdings Limited	36.71	3,371	99.1%	16.7%	nm	6.7x	8.1x	1.3x	1.3x	56.2%	85.1%	12.5%	12.9%
ASIC	Ategrity Specialty Insurance Company	19.77	950	78.1%	-8.1%	nm	130.5x	12.8x	1.7x	1.7x	58.0%	89.0%	na	12.3%
BOW	Bowhead Specialty Holdings Inc.	27.04	886	63.9%	-28.0%	-3.5%	17.9x	15.2x	2.2x	2.2x	66.2%	96.8%	13.2%	13.3%
JRVR	James River Group Holdings, Ltd.	5.55	255	77.2%	-5.3%	-11.5%	nm	4.9x	0.5x	0.9x	68.1%	98.6%	-13.0%	10.7%
KNSL	Kinsale Capital Group, Inc.	425.26	9,909	80.0%	-12.1%	-8.7%	22.1x	21.6x	5.8x	5.8x	55.1%	75.8%	30.0%	25.5%
MKL	Markel Group Inc.	1,911.36	24,183	92.1%	-4.3%	21.9%	11.4x	19.2x	1.4x	1.9x	na	96.3%	13.5%	7.1%
PLMR	Palomar Holdings, Inc.	116.75	3,127	66.4%	-24.3%	23.3%	19.9x	15.1x	3.7x	4.0x	25.7%	78.8%	22.5%	23.0%
RLI	RLI Corp.	65.22	5,989	71.6%	-9.7%	-15.8%	18.5x	21.2x	3.5x	3.6x	45.9%	84.5%	19.5%	17.3%
SKWD	Skyward Specialty Insurance Group, Inc.	47.56	1,926	73.1%	-17.7%	16.8%	14.6x	12.5x	2.1x	2.4x	61.3%	89.4%	16.3%	17.5%
TIPT	Tiptree Inc.	19.17	719	69.9%	-18.7%	-2.0%	12.8x	nm	1.4x	3.7x	48.2%	88.5%	14.0%	na
TRUP	Trupanion, Inc.	43.28	1,861	74.7%	-21.8%	3.1%	nm	nm	5.2x	6.5x	na	na	3.3%	na
WRB	W. R. Berkley Corporation	76.62	29,061	99.5%	4.3%	35.1%	17.3x	16.9x	3.1x	3.2x	63.1%	91.6%	20.6%	18.8%
WTM	White Mountains Insurance Group, Ltd.	1,671.52	4,249	82.6%	-6.9%	-1.5%	20.9x	nm	0.9x	1.1x	45.0%	84.4%	6.5%	na
Group Median			3,249	77.7%	-8.9%	0.8%	17.6x	15.1x	2.2x	2.7x	57.1%	89.0%	14.0%	17.3%

MARKET SNAPSHOT

P&C INSURERS (STANDARD)		MARKET PRICING					MULTIPLES				MARGINS & RETURNS			
Ticker	Name	9/30/2025 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
All	American Integrity Insurance Group, Inc.	22.31	437	97.5%	21.3%	nm	0.4x	8.8x	1.4x	1.4x	30.6%	72.9%	na	35.4%
ALL	The Allstate Corporation	214.65	56,561	99.5%	6.6%	13.2%	10.0x	9.1x	2.6x	3.0x	70.3%	91.1%	27.0%	27.3%
CB	Chubb Limited	282.25	112,530	92.0%	-2.6%	-2.1%	12.3x	11.4x	1.6x	2.6x	59.0%	85.6%	13.6%	12.7%
CINF	Cincinnati Financial Corporation	158.10	24,723	97.7%	6.2%	16.1%	13.6x	19.6x	1.7x	1.7x	66.3%	94.9%	13.4%	6.7%
CNA	CNA Financial Corporation	46.46	12,575	90.4%	-0.2%	-5.1%	14.4x	9.9x	1.2x	1.2x	67.1%	94.8%	8.5%	11.6%
DGIC	Donegal Group Inc.	19.39	689	91.8%	-3.2%	31.5%	8.2x	10.6x	1.2x	1.2x	65.1%	97.7%	15.2%	12.0%
ERIE	Erie Indemnity Company	318.16	16,637	58.4%	-8.3%	-41.1%	26.6x	23.6x	7.6x	7.6x	na	na	31.1%	na
GBLI	Global Indemnity Group, LLC	29.05	415	78.5%	-7.4%	-12.6%	14.6x	11.7x	0.6x	0.6x	55.6%	94.4%	4.1%	na
HIG	The Hartford Insurance Group, Inc.	133.39	37,505	98.7%	5.1%	13.4%	11.9x	10.6x	2.2x	2.6x	na	88.6%	19.5%	18.2%
HRTG	Heritage Insurance Holdings, Inc.	25.18	738	86.5%	1.0%	105.7%	7.2x	6.5x	1.9x	2.1x	38.5%	72.9%	33.5%	34.2%
MCY	Mercury General Corporation	84.78	4,696	99.7%	25.9%	34.6%	12.0x	11.6x	2.4x	2.4x	68.8%	92.5%	21.6%	13.0%
ORI	Old Republic International Corporation	42.47	10,338	99.7%	10.5%	19.9%	11.7x	12.8x	1.7x	1.7x	41.6%	93.6%	14.7%	13.7%
PGR	The Progressive Corporation	246.95	144,764	84.3%	-7.5%	-2.7%	13.9x	14.2x	4.4x	4.4x	66.8%	86.2%	37.3%	35.2%
SAFT	Safety Insurance Group, Inc.	70.69	1,053	78.5%	-11.0%	-13.6%	12.3x	nm	1.2x	1.2x	68.8%	98.1%	10.1%	na
SIGI	Selective Insurance Group, Inc.	81.07	4,933	78.3%	-6.4%	-13.1%	13.2x	10.3x	1.6x	1.6x	69.3%	100.2%	12.2%	13.2%
SLDE	Slide Insurance Holdings, Inc.	15.79	1,981	60.9%	-27.1%	nm	3.6x	6.5x	2.3x	2.3x	37.4%	67.4%	42.1%	44.9%
THG	The Hanover Insurance Group, Inc.	181.63	6,497	99.4%	6.9%	22.6%	11.8x	11.3x	2.0x	2.1x	61.9%	92.5%	19.2%	18.9%
TRV	The Travelers Companies, Inc.	279.22	62,862	99.5%	4.4%	19.3%	12.2x	11.0x	2.1x	2.5x	61.7%	90.3%	19.3%	17.6%
UFCS	United Fire Group, Inc.	30.42	775	93.4%	6.0%	45.3%	8.4x	11.2x	0.9x	0.9x	61.5%	96.4%	11.7%	9.3%
Group Median			6,497	92.0%	1.0%	13.4%	12.0x	11.1x	1.7x	2.1x	61.9%	92.5%	17.2%	15.7%

MARKET SNAPSHOT

LIFE INSURANCE & ANNUITIES		MARKET PRICING					MULTIPLES				RETURNS	
Ticker	Name	9/30/2025 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
AFL	Aflac Incorporated	111.70	59,741	96.7%	5.9%	-0.1%	25.1x	15.7x	2.2x	2.2x	9.2%	na
BHF	Brighthouse Financial, Inc.	53.08	3,034	82.8%	-1.3%	17.9%	5.6x	2.6x	0.5x	0.5x	13.5%	na
CIA	Citizens, Inc.	5.25	264	87.6%	50.4%	45.0%	23.3x	18.8x	1.2x	1.2x	5.3%	na
CNO	CNO Financial Group, Inc.	39.55	3,834	91.6%	2.5%	12.7%	13.9x	9.8x	1.5x	1.5x	11.7%	na
CRBG	Corebridge Financial, Inc.	32.05	17,258	87.6%	-9.7%	9.9%	nm	6.4x	1.4x	1.4x	-2.3%	na
GL	Globe Life Inc.	142.97	11,581	96.7%	15.0%	35.0%	11.3x	9.3x	2.1x	2.4x	20.0%	na
GNW	Genworth Financial, Inc.	8.90	3,653	97.3%	14.4%	29.9%	18.0x	20.9x	0.4x	0.4x	3.5%	na
JXN	Jackson Financial Inc.	101.23	7,051	87.9%	14.0%	11.0%	nm	4.5x	0.7x	0.7x	0.6%	na
LNC	Lincoln National Corporation	40.33	7,646	92.4%	16.6%	28.0%	6.7x	5.3x	0.9x	1.0x	13.0%	na
MET	MetLife, Inc.	82.37	54,778	92.5%	2.4%	-0.1%	13.8x	8.7x	2.0x	3.0x	15.5%	na
PFG	Principal Financial Group, Inc.	82.91	18,470	90.1%	4.4%	-3.5%	16.5x	9.5x	1.6x	2.2x	10.4%	na
PRI	Primerica, Inc.	277.59	8,992	90.2%	1.4%	4.7%	13.1x	12.4x	3.9x	4.0x	32.1%	na
PRU	Prudential Financial, Inc.	103.74	36,506	79.5%	-3.4%	-14.3%	22.8x	7.3x	1.2x	1.2x	5.8%	na
UNM	Unum Group	77.78	13,247	92.1%	-3.7%	30.9%	9.2x	8.7x	1.2x	1.2x	13.9%	na
VOYA	Voya Financial, Inc.	74.80	7,212	88.7%	5.4%	-5.6%	14.7x	8.2x	1.6x	2.4x	8.5%	na
Group Median			8,992	90.2%	4.4%	11.0%	13.9x	8.7x	1.4x	1.4x	10.4%	nm

MARKET SNAPSHOT

HEALTH AND MANAGED CARE		MARKET PRICING					MULTIPLES				RETURNS	
Ticker	Name	9/30/2025 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	288.25	76,942	80.3%	-12.8%	-16.8%	15.7x	9.1x	1.9x	nm	13.2%	na
CNC	Centene Corporation	35.68	17,524	47.4%	-34.3%	-52.6%	8.7x	23.6x	0.6x	3.6x	7.4%	na
ELV	Elevance Health, Inc.	323.12	72,760	61.6%	-16.9%	-37.9%	13.8x	10.5x	1.7x	nm	12.4%	na
HUM	Humana Inc.	260.17	31,291	82.5%	6.4%	-17.9%	19.9x	17.7x	1.7x	4.3x	9.0%	na
MOH	Molina Healthcare, Inc.	191.36	10,372	53.2%	-35.8%	-44.5%	9.4x	10.3x	2.2x	4.2x	23.9%	na
OSCR	Oscar Health, Inc.	18.93	4,889	83.1%	-11.7%	-10.7%	nm	nm	4.2x	4.2x	-14.0%	na
UNH	United Health Group Incorporated	345.30	312,729	54.7%	10.7%	-40.9%	14.8x	21.6x	3.3x	nm	21.7%	na
Group Median			31,291	61.6%	-12.8%	-37.9%	14.3x	14.1x	1.9x	4.2x	12.4%	nm

MERCER CAPITAL'S INSURANCE INDUSTRY SERVICES

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

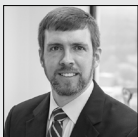
SECTORS SERVED

- 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

CONTACT INFORMATION



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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.