

# INSURANCE INDUSTRY

## FOURTH QUARTER 2025

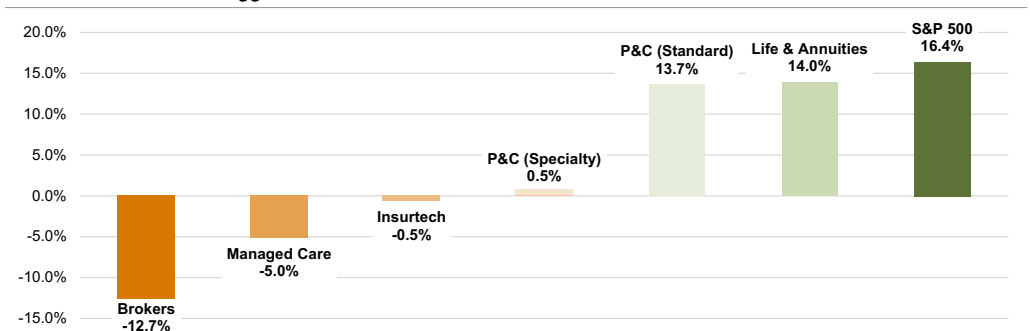
### SECTOR PERFORMANCE UPDATE

#### Insurance Stocks Lag in 2025 as Tailwinds Fade and Capital Reallocates

- All insurance segments tracked in Mercer Capital’s market-weighted indices lagged the broader market in 2025, with the S&P 500 up 16.4% compared to mixed performance across insurance subsectors. Life & Annuities (+14.0%) and Standard Lines P&C (+13.7%) came closest to keeping pace, while Brokers (-12.7%) and Managed Care (-5.0%) were notable laggards.
- The most notable shift in 2025 was the reset in broker valuations. After several years of multiple expansion driven by strong organic growth, M&A multiple arbitrage, and favorable financing, investors recalibrated expectations as pricing momentum slowed and growth normalized. The result was a steady compression in EBITDA multiples throughout the year, even as underlying profitability remained solid.
- Investors also tempered their enthusiasm on insurance in light of AI-driven fears, though it remains to be seen whether benefits (better underwriting, cost efficiencies) will outweigh the risks. Specialty carriers saw multiples decline from elevated levels earlier in the year, while Standard Lines insurers remained relatively stable.
- M&A activity also reflects this shift from expansion to normalization, as deal volume for brokers and underwriters declined 6% and 8%, respectively. Buyers (both strategic and financial) remain active, but are increasingly selective and valuation-conscious.
- The fourth quarter of 2025 also saw two insurance IPOs. Neptune Flood (NYSE:NP), a private flood MGA, debuted October 1st at \$20/share and finished the quarter at \$29 (+46%). Insurance technology firm Exzeo Group (NYSE:XZO) spun out of HCI Group on November 4th at \$21/share and ended the year at \$24 (+15%)

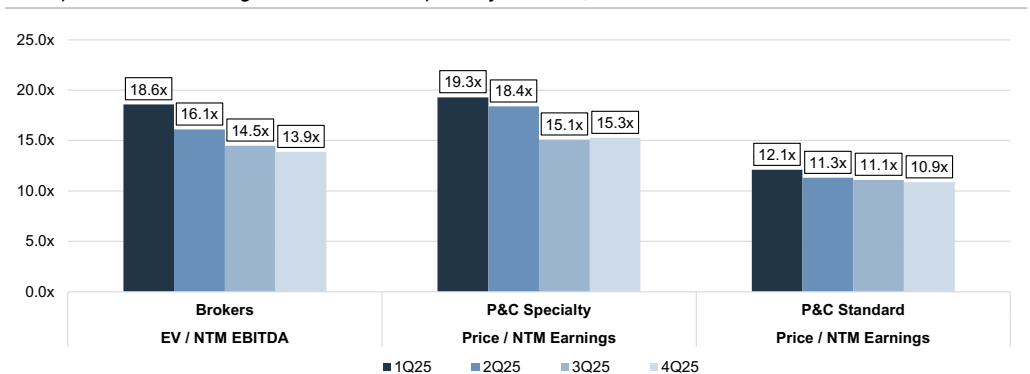
#### Full Year 2025 Insurance Industry Stock Price Performance

All insurance sectors lagged the broader market



#### Valuation Multiple Progression Through 2025

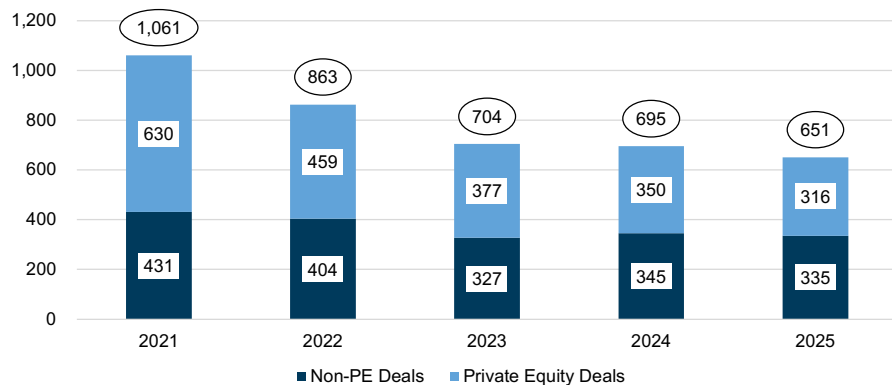
Multiples are moderating for Brokers and Specialty Insurers; Standard Lines P&C are stable



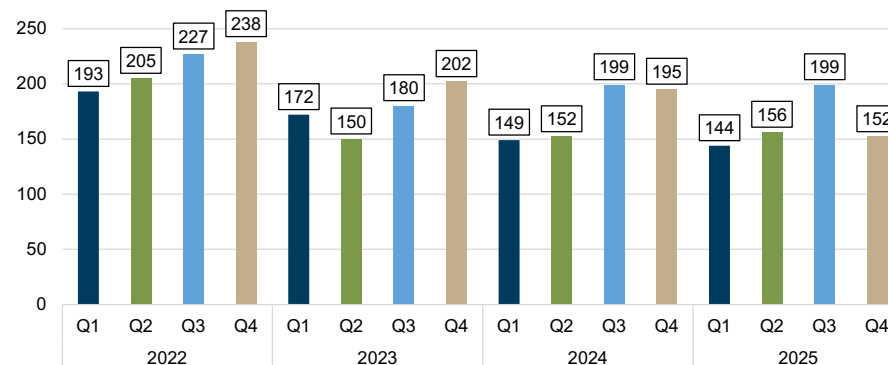
Individual sub-sector performance represented by market capitalization weighted indices for each group.  
Source: S&P Capital IQ Pro.; Mercer Capital Analysis

## M&A TRANSACTION TRENDS

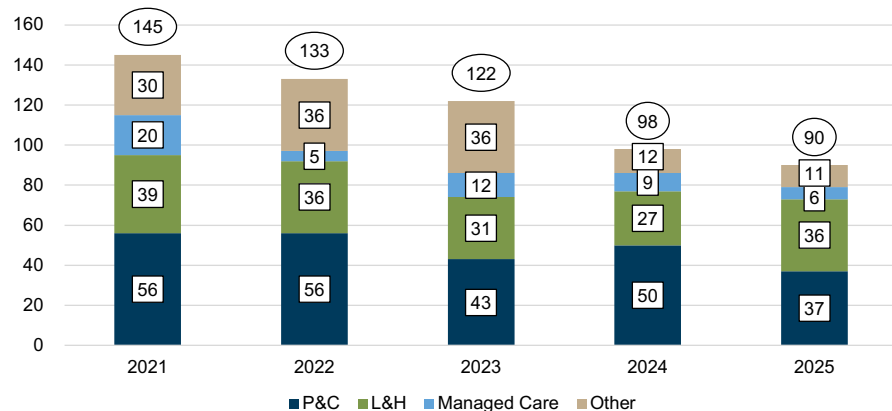
**Insurance Brokers: 5-Year M&A Trend**



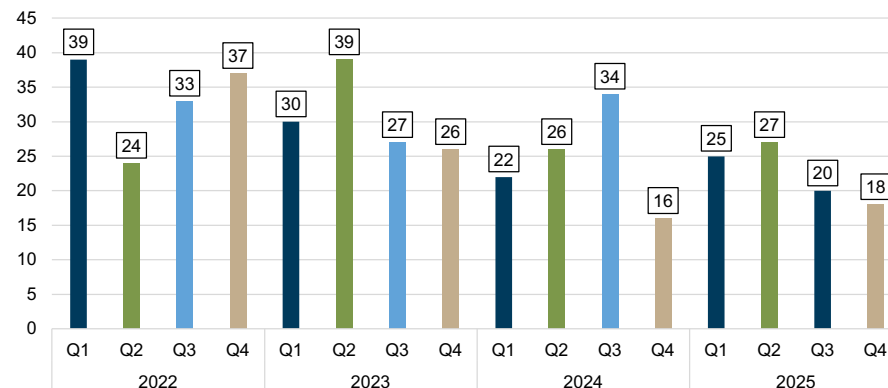
**Insurance Brokers: Quarterly M&A Trend**



**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 December 31, 2025*

Segment	MARKET PRICING			MULTIPLES			
	Share Performance			EV / EBITDA		EV / Revenue	
	%52wk High	%Q/Q	%Y/Y	LTM	NTM	LTM	NTM
 Insurance Brokers	73.7%	-7.9%	-12.7%	17.0x	13.9x	5.8x	4.7x
 InsurTech	71.5%	-9.1%	-0.5%	18.0x	9.6x	2.4x	1.5x

*As of December 31, 2025*

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)	78.6%	5.5%	0.5%	13.6x	15.3x	2.1x	2.2x
 P&C (Standard)	94.6%	3.3%	13.7%	10.2x	10.9x	1.7x	1.9x
 L&H (Life Ins & Annuities)	95.2%	-0.4%	14.0%	16.1x	8.4x	1.2x	1.3x
 L&H (Health & Managed Care)	61.6%	-4.4%	-5.0%	19.4x	16.2x	1.8x	4.5x

## MARKET SNAPSHOT

BROKERS		MARKET PRICING					MULTIPLES				GROWTH & MARGIN		
Ticker	Name	12/31/2025 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	
MRSB	Marsh & McLennan Companies, Inc.	185.52	90,888	74.8%	-7.9%	-12.7%	13.8x	13.3x	4.0x	3.9x	10.3%	3.6%	29.0%
AON	Aon plc	352.88	75,846	85.4%	-1.0%	-1.7%	15.7x	14.7x	5.2x	5.0x	9.4%	4.1%	33.0%
WTW	Willis Towers Watson Public Limited Company	328.60	31,463	93.1%	-4.9%	4.9%	13.2x	12.5x	3.6x	3.5x	-2.2%	3.3%	27.1%
AJG	Arthur J. Gallagher & Co.	258.79	66,459	73.7%	-16.4%	-8.8%	22.4x	14.3x	6.0x	4.7x	19.0%	26.7%	26.7%
BRO	Brown & Brown, Inc.	79.70	27,211	63.4%	-15.0%	-21.9%	17.0x	13.5x	5.9x	4.7x	22.5%	24.4%	34.4%
RYAN	Ryan Specialty Holdings, Inc.	51.63	13,621	66.9%	-8.4%	-19.5%	20.2x	15.8x	5.8x	5.0x	21.9%	15.3%	28.7%
BWIN	The Baldwin Insurance Group, Inc.	24.03	2,851	51.0%	-14.8%	-38.0%	22.9x	11.2x	3.3x	2.6x	8.3%	24.5%	14.2%
GSHD	Goosehead Insurance, Inc.	73.65	2,714	57.5%	-1.0%	-31.3%	[32.4x]	24.0x	8.0x	7.1x	16.3%	12.7%	24.6%
TWFG	TWFG, Inc.	28.77	1,617	78.1%	4.8%	-6.6%	[31.2x]	[28.3x]	6.9x	6.2x	nm	10.3%	22.0%
<b>Group Median</b>			<b>27,211</b>	<b>73.7%</b>	<b>-7.9%</b>	<b>-12.7%</b>	<b>17.0x</b>	<b>13.9x</b>	<b>5.8x</b>	<b>4.7x</b>	<b>13.3%</b>	<b>12.7%</b>	<b>27.1%</b>
<i>excluding outliers [in brackets]</i>													

## MARKET SNAPSHOT

INSURTECH		MARKET PRICING					MULTIPLES				GROWTH & MARGIN		
Ticker	Name	12/31/2025 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	16.35	3,627	52.4%	9.8%	na	21.8x	7.8x	2.4x	2.0x	52.4%	19.6%	10.8%
CCC	CCC Intelligent Solutions Holdings Inc.	7.95	5,104	67.4%	-12.7%	-32.2%	26.9x	13.8x	6.0x	5.6x	11.9%	6.7%	22.2%
CRVL	CorVel Corporation	67.67	3,468	52.6%	-12.6%	-39.2%	19.3x	nm	3.4x	nm	8.1%	nm	17.8%
EHTH	eHealth, Inc.	4.60	142	40.5%	6.7%	-51.1%	7.9x	11.2x	1.0x	1.1x	4.1%	-6.6%	12.7%
EVER	EverQuote, Inc.	27.00	971	89.9%	18.1%	35.1%	11.8x	7.7x	1.2x	1.1x	38.5%	8.0%	9.7%
XZO	Exzeo Group, Inc.	24.25	2,201	98.6%	na	na	16.7x	17.3x	8.6x	8.6x	64.5%	0.0%	51.2%
GWRE	Guidewire Software, Inc.	201.01	17,090	73.7%	-12.6%	19.2%	nm	[53.1x]	13.2x	11.4x	22.8%	15.2%	5.9%
HGTY	Hagerty, Inc.	13.44	4,597	96.0%	11.6%	39.3%	20.3x	22.3x	3.0x	3.3x	17.3%	-8.3%	14.9%
HIPO	Hippo Holdings Inc.	30.08	762	77.2%	-16.8%	12.4%	nm	[50.8x]	0.9x	0.8x	25.9%	10.8%	-4.8%
LMND	Lemonade, Inc.	71.18	5,319	83.5%	33.0%	94.1%	nm	nm	6.9x	4.9x	40.2%	40.8%	-16.5%
MAX	MediaAlpha, Inc.	12.95	844	93.0%	13.8%	14.7%	11.3x	8.1x	0.8x	0.8x	28.8%	4.5%	7.3%
NP	Neptune Insurance Holdings Inc.	29.16	4,025	87.7%	na	na	[53.3x]	38.5x	nm	nm	33.7%	14.2%	50.1%
QNST	QuinStreet, Inc.	14.37	816	56.4%	-7.1%	-37.7%	20.7x	7.0x	0.6x	0.6x	19.0%	11.0%	3.1%
ROOT	Root, Inc.	72.23	1,120	39.9%	-19.3%	-0.5%	11.7x	6.9x	0.5x	0.5x	29.0%	2.4%	4.3%
SLQT	SelectQuote, Inc.	1.41	248	20.6%	-28.1%	-62.1%	15.4x	7.7x	0.6x	0.5x	11.1%	6.0%	3.6%
VRSK	Verisk Analytics, Inc.	223.69	31,176	69.3%	-11.1%	-18.8%	22.7x	18.6x	11.0x	10.5x	nm	4.9%	48.3%
<b>Group Median</b>			<b>2,835</b>	<b>71.5%</b>	<b>-9.1%</b>	<b>-0.5%</b>	<b>18.0x</b>	<b>9.6x</b>	<b>2.4x</b>	<b>1.5x</b>	<b>25.9%</b>	<b>6.7%</b>	<b>10.3%</b>
<i>excluding outliers [in brackets]</i>													

## MARKET SNAPSHOT

P&C INSURERS (SPECIALTY)		MARKET PRICING				MULTIPLES				MARGINS & RETURNS				
Ticker	Name	12/31/2025 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	'26E
AFG	American Financial Group, Inc.	136.68	11,400	91.1%	-6.2%	-0.2%	13.6x	12.3x	2.4x	2.6x	62.2%	91.0%	18.1%	19.6%
ASIC	Ategrity Specialty Insurance Company	21.01	1,010	83.0%	6.3%	nm	12.8x	12.1x	1.6x	1.6x	58.7%	88.2%	15.0%	14.8%
BOW	Bowhead Specialty Holdings Inc.	28.54	936	67.5%	5.5%	-19.7%	17.4x	15.1x	2.1x	2.1x	66.7%	96.5%	13.1%	14.5%
JRVR	James River Group Holdings, Inc.	6.36	292	92.3%	14.6%	30.6%	7.0x	5.1x	0.5x	0.9x	66.4%	96.6%	7.9%	9.8%
KNSL	Kinsale Capital Group, Inc.	391.12	9,099	76.3%	-8.0%	-15.9%	18.0x	19.4x	4.6x	4.6x	55.1%	75.9%	29.3%	21.8%
MKL	Markel Group Inc.	2,149.65	27,108	97.4%	12.5%	24.5%	12.7x	19.8x	1.5x	1.9x	58.4%	94.6%	11.8%	7.5%
PLMR	Palomar Holdings, Inc.	134.76	3,571	76.6%	15.4%	27.6%	18.2x	16.2x	3.8x	4.1x	28.5%	76.9%	23.6%	22.3%
RLI	RLI Corp.	63.98	5,876	77.1%	-1.9%	-22.4%	14.6x	21.1x	3.3x	3.4x	45.0%	83.6%	24.4%	15.1%
SKWD	Skyward Specialty Insurance Group, Inc.	51.11	2,069	78.6%	7.5%	1.1%	12.1x	11.5x	2.1x	2.2x	60.9%	89.3%	18.9%	18.7%
TIPT	Tiptree Inc.	18.27	691	66.7%	-4.7%	-12.4%	nm	nm	1.4x	1.4x	0.0%	0.0%	-5.5%	na
TRUP	Trupanion, Inc.	37.37	1,614	64.6%	-13.7%	-22.5%	nm	nm	4.2x	5.1x	0.0%	0.0%	5.5%	na
WRB	W. R. Berkley Corporation	70.12	26,647	88.8%	-8.5%	19.8%	15.6x	15.5x	2.7x	2.8x	62.4%	90.7%	19.7%	17.9%
WTM	White Mountains Insurance Group, Ltd.	2,078.03	5,218	97.0%	24.3%	6.8%	4.8x	nm	0.9x	1.2x	49.7%	81.4%	21.1%	na
<b>Group Median</b>			<b>3,571</b>	<b>78.6%</b>	<b>5.5%</b>	<b>0.5%</b>	<b>13.6x</b>	<b>15.3x</b>	<b>2.1x</b>	<b>2.2x</b>			<b>18.1%</b>	<b>16.5%</b>

## MARKET SNAPSHOT

P&C INSURERS (STANDARD)		MARKET PRICING					MULTIPLES				MARGINS & RETURNS			
Ticker	Name	12/31/2025 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	'26E
All	American Integrity Insurance Group, Inc.	20.83	408	79.0%	-6.6%	nm	3.7x	8.2x	1.2x	1.2x	38.7%	63.7%	39.9%	14.9%
ALL	The Allstate Corporation	208.15	54,469	96.4%	-3.0%	8.0%	5.4x	8.3x	1.9x	2.2x	63.8%	85.2%	39.5%	21.6%
CB	Chubb Limited	312.12	122,835	99.1%	10.6%	13.0%	12.0x	12.1x	1.7x	2.7x	59.1%	85.7%	14.3%	13.5%
CINF	Cincinnati Financial Corporation	163.32	25,481	96.1%	3.3%	13.7%	10.7x	19.7x	1.6x	1.6x	65.6%	94.9%	16.0%	8.2%
CNA	CNA Financial Corporation	47.74	12,922	93.0%	2.8%	-1.3%	10.1x	10.0x	1.1x	1.1x	67.9%	95.2%	11.5%	na
DGIC.A	Donegal Group Inc.	19.98	719	94.6%	3.0%	29.2%	9.1x	10.4x	1.2x	1.2x	61.3%	95.4%	13.4%	10.7%
ERIE	Erie Indemnity Company	286.65	14,989	62.7%	-9.9%	-30.5%	26.8x	21.0x	6.6x	6.6x	0.0%	0.0%	26.2%	na
GBLI	Global Indemnity Group, LLC	28.38	407	76.7%	-2.3%	-21.2%	16.2x	9.2x	0.6x	0.6x	58.7%	98.6%	3.6%	na
HIG	The Hartford Insurance Group, Inc.	137.80	38,398	98.1%	3.3%	26.0%	10.2x	10.5x	2.0x	2.4x	56.8%	88.3%	21.7%	18.4%
HRTG	Heritage Insurance Holdings, Inc.	29.26	855	91.5%	16.2%	141.8%	4.6x	7.3x	1.7x	1.8x	39.4%	73.1%	49.1%	25.0%
MCY	Mercury General Corporation	94.06	5,210	97.5%	10.9%	41.5%	9.6x	10.9x	2.2x	2.2x	72.0%	96.3%	24.8%	19.6%
ORI	Old Republic International Corporation	45.64	11,109	97.6%	7.5%	26.1%	12.0x	13.4x	1.9x	1.9x	41.9%	94.7%	16.3%	12.8%
PGR	The Progressive Corporation	227.72	133,534	77.7%	-7.8%	-5.0%	11.8x	14.0x	4.4x	4.4x	65.9%	87.4%	40.4%	26.2%
SAFT	Safety Insurance Group, Inc.	77.91	1,160	92.5%	10.2%	-5.4%	11.5x	nm	1.3x	1.3x	70.0%	99.0%	11.5%	na
SIGI	Selective Insurance Group, Inc.	83.67	5,054	86.7%	3.2%	-10.5%	11.1x	10.9x	1.5x	1.5x	66.3%	97.2%	13.9%	13.6%
SLDE	Slide Insurance Holdings, Inc.	19.48	2,421	75.2%	23.4%	nm	4.1x	7.4x	2.2x	2.2x	21.8%	52.1%	57.4%	30.5%
THG	The Hanover Insurance Group, Inc.	182.77	6,504	97.1%	0.6%	18.2%	9.9x	11.1x	1.8x	1.9x	60.5%	91.6%	20.6%	16.1%
TRV	The Travelers Companies, Inc.	290.06	64,702	97.7%	3.9%	20.4%	10.4x	10.8x	1.9x	2.2x	61.4%	89.9%	20.7%	16.8%
UFCS	United Fire Group, Inc.	36.35	927	95.9%	19.5%	27.8%	7.8x	10.9x	1.0x	1.0x	59.1%	94.8%	13.7%	9.4%
<b>Group Median</b>			<b>6,504</b>	<b>94.6%</b>	<b>3.3%</b>	<b>13.7%</b>	<b>10.2x</b>	<b>10.9x</b>	<b>1.7x</b>	<b>1.9x</b>			<b>20.6%</b>	<b>16.1%</b>

## MARKET SNAPSHOT

LIFE INSURANCE & ANNUITIES		MARKET PRICING					MULTIPLES				RETURNS	
Ticker	Name	12/31/2025 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	'26E
AFL	Aflac Incorporated	110.27	57,794	95.2%	-1.3%	6.6%	16.1x	15.2x	1.9x	2.0x	13.1%	13.6%
BHF	Brighthouse Financial, Inc.	64.79	3,704	97.7%	22.1%	34.9%	11.3x	3.1x	0.5x	0.5x	7.4%	12.5%
CIA	Citizens, Inc.	4.83	243	75.9%	-8.0%	20.4%	16.6x	17.3x	1.0x	1.0x	6.6%	6.4%
CNO	CNO Financial Group, Inc.	42.47	4,050	96.5%	7.4%	14.1%	18.1x	9.9x	1.5x	1.5x	8.9%	12.4%
CRBG	Corebridge Financial, Inc.	30.17	15,703	82.5%	-5.9%	0.8%	nm	6.0x	1.2x	1.2x	-3.0%	12.7%
GL	Globe Life Inc.	139.86	11,134	94.6%	-2.2%	25.4%	9.8x	9.6x	1.9x	2.0x	20.6%	19.2%
GNW	Genworth Financial, Inc.	9.03	3,606	97.3%	1.5%	29.2%	16.6x	nm	0.4x	0.4x	3.6%	na
JXN	Jackson Financial Inc.	106.65	7,249	97.7%	5.4%	22.5%	nm	4.4x	0.8x	0.8x	0.7%	13.1%
LNC	Lincoln National Corporation	44.53	8,461	95.3%	10.4%	40.4%	7.5x	5.6x	0.9x	1.0x	12.3%	10.8%
MET	MetLife, Inc.	78.94	52,013	89.6%	-4.2%	-3.6%	16.6x	8.1x	1.8x	2.9x	12.0%	16.1%
PFG	Principal Financial Group, Inc.	88.21	19,379	95.8%	6.4%	14.0%	16.6x	9.7x	1.6x	2.1x	10.5%	16.5%
PRI	Primerica, Inc.	258.36	8,246	86.5%	-6.9%	-4.8%	11.3x	11.1x	3.4x	3.4x	31.9%	30.3%
PRU	Prudential Financial, Inc.	112.88	39,497	91.1%	8.8%	-4.8%	11.2x	7.7x	1.2x	1.3x	11.4%	14.3%
UNM	Unum Group	77.50	12,968	91.7%	-0.4%	6.1%	18.1x	8.7x	1.2x	1.2x	6.7%	11.2%
VOYA	Voya Financial, Inc.	74.49	7,089	95.5%	-0.4%	8.2%	11.6x	7.8x	1.4x	2.1x	11.2%	14.9%
<b>Group Median</b>			<b>8,461</b>	<b>95.2%</b>	<b>-0.4%</b>	<b>14.0%</b>	<b>16.1x</b>	<b>8.4x</b>	<b>1.2x</b>	<b>1.3x</b>	<b>10.5%</b>	<b>13.4%</b>

## MARKET SNAPSHOT

HEALTH AND MANAGED CARE		MARKET PRICING					MULTIPLES				RETURNS	
Ticker	Name	12/31/2025 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	275.23	73,521	78.6%	-4.5%	-0.3%	12.3x	9.0x	1.7x	nm	15.1%	17.9%
CNC	Centene Corporation	41.15	20,226	61.6%	15.3%	-32.1%	nm	17.7x	1.0x	4.4x	-28.7%	6.9%
ELV	Elevance Health, Inc.	350.55	77,906	76.4%	8.5%	-5.0%	13.9x	13.1x	1.8x	nm	13.2%	12.9%
HUM	Humana Inc.	256.13	30,806	81.2%	-1.6%	1.0%	26.0x	19.0x	1.7x	4.5x	7.0%	8.1%
MOH	Molina Healthcare, Inc.	173.54	8,920	48.2%	-9.3%	-40.4%	19.4x	14.8x	2.2x	5.3x	11.0%	15.3%
OSCR	Oscar Health, Inc.	14.37	3,799	60.4%	-24.1%	6.9%	nm	nm	4.4x	4.4x	-44.4%	-1.2%
UNH	UnitedHealth Group Incorporated	330.11	299,026	54.4%	-4.4%	-34.7%	24.9x	19.5x	3.2x	nm	12.5%	15.3%
<b>Group Median</b>			<b>30,806</b>	<b>61.6%</b>	<b>-4.4%</b>	<b>-5.0%</b>	<b>19.4x</b>	<b>16.2x</b>	<b>1.8x</b>	<b>4.5x</b>	<b>11.0%</b>	<b>12.9%</b>

# MERCER CAPITAL'S INSURANCE INDUSTRY SERVICES

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

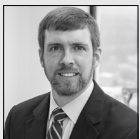
## SECTORS SERVED

- 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.