



Houlihan
Lokey

InsurTech Market Update

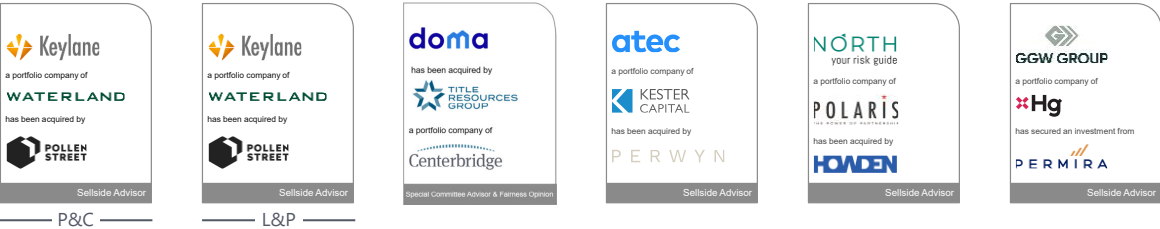
2024

Executive Summary:

InsurTech Market Update (2024)

Houlihan Lokey InsurTech Advisory Update

Houlihan Lokey has remained highly active in the insurtech sector in the past 12 months with multiple closed/announced M&A advisory engagements and well as platform-building strategic moves:



- **Advised Keylane Group and its owner, Waterland Private Equity, on the sale of its P&C and L&P businesses to Pollen Street Capital.** The combined deal marked the largest insurance software majority buyout transaction YTD globally
- **Advised Doma on its take-private merger with Title Resources Group**, backed by Centerbridge. The deal combined Doma and TRG to create the fifth largest independent title insurance underwriter in U.S. while separately capitalizing Doma’s technology assets.
- **Advised several tech-enabled insurance distributors** (Atec, North, and GGW Group) on sellside engagements in Europe, adding to our team’s tremendous track record advising leading insurance distributors.
- **Acquired Chicago-based boutique investment bank Waller Helms Advisors**, enhancing Houlihan Lokey’s coverage capabilities in the insurance sector, among others ([press release](#)).
- **Hired Andrew Atherton**, who brings extensive expertise advising FinTech and enterprise software companies, including recent sellside advisory to insurance software businesses **Ventiv Technology** and **Hearsay Systems** ([press release](#)).

InsurTech Market Update



High-Growth Tech Innovation, Adoption, and Spend



M&A and Funding Is Slow but Active



Positive Market Outlook Despite Secular Challenges



Strong Investor Appetite

- The insurtech ecosystem continues to deliver significant innovation throughout the value chain across carriers, distributors, and enterprises. Key developments in GenAI, data and analytics, and emerging digital and software-led capabilities are driving the next wave of insurance optimization as the landscape accelerates digitization efforts.
- Among a backdrop of record insurance sales, employment, and asset holdings in 2023, factors such as inflation, interest rate volatility, workforce skill requirements, claims severity and frequency, and rapidly evolving environmental and cyber risks are each pressuring the insurance landscape and prompting the need for enhanced analytical and workflow capabilities to support top- and bottom-line outcomes.
- The sector remains highly active but has experienced a slowdown in capital raise and M&A activity, as deal volumes have declined YoY through Q3 2024, following a similar trend in 2023. From our perspective, we expect 2025 to reverse the recent trend.
- Houlihan Lokey’s public InsurTech Index has shown strong gains, outperforming the S&P 500 YTD⁽¹⁾. Analysis of the broader FinTech market analysis indicates investors are weighing profitability (cash EBITDA) more heavily than growth⁽²⁾.

(1) Data derived from S&P Capital IQ as of September 30, 2024. See page 53 for more detail on index composition and performance.
(2) FinTech regressions are market-cap weighted. Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of September 30, 2024.

Introduction

We are pleased to issue our InsurTech Market Update for 2024.

With this update, we discuss our most recent insurance technology advisory engagements and strategic developments within the Houlihan Lokey FinTech practice, highlight key insurance sector trends and factors of technology adoption, and present the latest public and private transaction and valuation trends across the insurtech landscape.

We remain bullish about the persistence of opportunities for technology within the rapidly evolving insurance ecosystem. Demand for and interest in insurance technology and data assets remain strong as tailwinds continue to benefit the sector and encourage the adoption of technology solutions. M&A and financing activity remains active, and publicly traded players have seen a strong rebound in valuations, with our total insurtech public company index outperforming the S&P 500 YTD⁽¹⁾.

As our firm continues to execute transactions in this space, we invite you to contact us to discuss past transactions, future opportunities, or the ecosystem more broadly.

Best Regards,



Mike Capocci
InsurTech Sector Lead
Michael.Capocci@HL.com



Alec Ellison
Global Head of FinTech
Alec.Ellison@HL.com

(1) Data derived from S&P Capital IQ as of September 30, 2024. See page 53 for more detail on index composition and performance





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Houlihan Lokey
InsurTech Advisory

01

Highly Collaborative, Cross-Functional Global InsurTech Team

Global InsurTech Leadership



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European InsurTech Coverage Partners



Paul Tracey

FinTech
Managing Director
London, U.K.



Tim Shortland

FinTech
Managing Director
London, U.K.

Europe Insurance Co-Leads



Mark Fisher

FinTech
Managing Director
London, U.K.



Tobias Schultheiss

FinTech
Managing Director
Frankfurt, DE

Insurance Services and Technology Coverage Partners



Andrew Atherton

Managing Director
Governance, Risk,
and Compliance



Chris Gough

Managing Director
PropTech



Luiz Greca

Managing Director
Healthcare



Shane Kaiser

Managing Director
Transportation



Keith Skirbe

Managing Director
Cyber



Kevin Walsh

Managing Director
Vertical Software/HCM



Insurance Services Coverage Expansion via **Waller Helms** Acquisition
See page 15 for detail

Mission-Critical Enabler of the InsurTech Ecosystem

Selected Houlihan Lokey InsurTech Clients and Counterparties⁽¹⁾

Consolidators and Targets



Financial Investors



⁽¹⁾ Includes selected parties in completed transactions executed by current Houlihan Lokey team members while at other firms.



How We Cover InsurTech

The range of technology business models that comprise insurtech is critical to understanding market activity, investor/acquirer appetite, and key factors influencing valuation.

	Software and Data/Analytics	Digital Distribution	Tech-Enabled Services	Digital Carriers
Business Model Overview	Develop and sell software and data solutions that enable traditional and digital carriers, brokers, MGAs, and enterprises.	Monetize technology capabilities/infrastructure for insurance distribution.	Sell insurance services leveraging proprietary in-house and third-party technology.	Sell insurance policies and hold (or reinsure) related risk via owned technology infrastructure.
Key Segments	Front Office Software Core Systems Software Data/Analytics	Marketplace and PCW Embedded/Integrated Digital Brokers/MGAs	Tech-Enabled Services (Claims, TPAs, Brokers)	Digital Carriers
Selected Vendors				
Lines of Business	Property and Casualty		Life and Annuity/Pension	Health and Employee Benefits
	Personal		Commercial	

← A single insurtech may embody multiple business models and insurance lines of business. →

Deep InsurTech Domain Expertise and Advisory Success

Houlihan Lokey has driven exceptional client outcomes throughout the insurtech ecosystem.

 a portfolio company of WATERLAND has been acquired by POLLEN STREET Sellside Advisor P&C	 a portfolio company of WATERLAND has been acquired by POLLEN STREET Sellside Advisor L&P	 has been acquired by TITLE RESOURCES GROUP a portfolio company of Centerbridge Special Committee Advisor & Fairness Opinion	 a portfolio company of KESTER CAPITAL has been acquired by PERWYN Sellside Advisor	 has been acquired by RYAN SPECIALTY Sellside Advisor	 a portfolio company of POLARIS has been acquired by HOWDEN Sellside Advisor	 a portfolio company of Hg has secured an investment from PERMIRA Sellside Advisor	 a portfolio company of nedvest has been acquired by Ardonagh GROUP Sellside Advisor	 has sold certain branches of its West Coast local retail title operations to Willson Financial Group a portfolio company of GOLDEN GATE CAPITAL Sellside Advisor
 has invested in cleversoft Financing Advisor	 has sold ControlExpert Rebelling Rules to Allianz Sellside Advisor*	 has received investment from TPG Sellside Advisor*	 a portfolio company of ABRY PARTNERS has been acquired by STONE POINT CAPITAL Sellside Advisor	 a portfolio company of Connection Capital has been acquired by RV Sellside Advisor	 has been acquired by insurity a portfolio company of GI PARTNERS Sellside Advisor	 has been acquired by GUIDEWIRE Sellside Advisor	 including Confused LeLynx.fr Restraitor PREMIEN has been acquired by RV Sellside Advisor	 a division of home mr.cooper has been acquired by blend Sellside Advisor
 has merged with FOXO Fairness Opinion	 has sold ACTINEO to Verisk Sellside Advisor*	 has been acquired by AZENTIO a portfolio company of Apax PARTNERS Sellside Advisor	 has been acquired by ZYWAVE a portfolio company of ALASKA Sellside Advisor	 has received a Series C preferred investment led by Portage Ventures Financial Advisor and Placement Agent	 has participated in the Matic Series B financing round Placement Agent	 sold finanzen to Allianz Sellside Advisor*	 a portfolio company of CORSAIR CAPITAL has acquired NOVUM Buy-side Advisor*	 has been recapitalized by STONE POINT CAPITAL Sellside Advisor
 has been acquired by Tegra118 a portfolio company of MOTIVE PARTNERS Sellside Advisor	 has entered into a strategic partnership with GENERAL ATLANTIC Sellside Advisor*	 a portfolio company of SYNOVA CAPITAL has been acquired by SimplyBiz Sellside Advisor	 a portfolio company of CIP CAPITAL has been acquired by SCLERA Sellside Advisor	 has been acquired by earnix Sellside Advisor	 has partnered with Riverside Financial Advisor*	 sell side financing has sold RGI to CORSAIR CAPITAL Sellside Advisor*	 has been acquired by GENSTAR CAPITAL Sellside Advisor*	 has sold finanzen to ELI GLOBAL Sellside Advisor*
 has issued and sold \$80.0 million of Series D Convertible Preferred stock to BROOKSIDE EQUITY PARTNERS Fairness Opinion	 has sold eucon to VHV GRUPPE Sellside Advisor*	 has been acquired by FP FRANCISCO PARTNERS Financial Advisor	 a subsidiary of Guardian has been acquired by alight Sellside Advisor	 has been acquired by Paycor Sellside Advisor	 has been acquired by lendingtree Sellside Advisor*	 has been acquired by experian Sellside Advisor	 has sold DAVASO to Montagu Sellside Advisor*	 has been acquired by GUGGENHEIM Sellside Advisor*

Tombstones included herein represent transactions closed from 2010 forward.

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Mini-case studies on following pages.

Proven Excellence Across a Range of Transaction Dynamics and Business Models

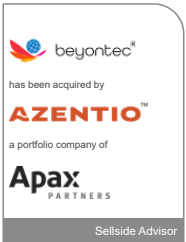
Featured Insurance Software Transactions

Transaction						
Target Description	Keylane's cloud-based policy administration SaaS platform for Property & Casualty insurance management.	Keylane's cloud-based policy administration software suite for Life & Pension management.	Doma offers a software-led title insurance underwriting and distribution platform with a captive carrier.	Cleversoft offers regulatory technology solutions to insurers and other financial service providers.	HazardHub offers a geospatial risk data platform to protect and insure properties from geographical hazards.	Actineo offers software for digitalization and medical assessment of bodily injury claims.
Deal Value and Type	Not Disclosed PE Buyout	Not Disclosed PE Buyout	Strategic Acquisition	Not Disclosed PE Buyout	Not Disclosed Strategic Acquisition	Not Disclosed Strategic Acquisition
Geography						
Houlihan Lokey Banker Role*	Sellside Advisor to Keylane P&C and Waterland	Sellside Advisor to Keylane L&P and Waterland	Sellside Advisor to the Special Committee of the Board of Directors of Doma	Financing Advisor to Levine Leichtman	Sellside Advisor to HazardHub	Sellside Advisor to Actineo and Riverside Capital
	Case Study on Page 12	Case Study on Page 12	Case Study on Page 13			

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Proven Excellence Across a Range of Transaction Dynamics and Business Models (cont.)

Featured Insurance Software Transactions

Transaction						
Target Description	SambaSafety offers cloud-based mobility and driver risk management software and data.	Beyontec offers cloud-based core insurance software for P&C.	eDriving offers digital driver risk management solutions for commercial fleets.	ControlExpert offers AI-supported automotive claims processing software.	AuSum is a cloud-native audit and survey management software solution for P&C carriers.	EIS Group offers core administration software and digital distribution solutions for insurance carriers.
Deal Value and Type	Not Disclosed PE Buyout	PE Platform Add-on	PE Platform Add-on	Not Disclosed Strategic Acquisition	Not Disclosed PE Platform Add-on	\$100M Growth Capital
Geography	 	 	 	 	 	 
Houlihan Lokey Banker Role*	Sellside Advisor to SambaSafety and Abry Partners	Sellside Advisor to Beyontec	Sellside Advisor to eDriving	Sellside Advisor to ControlExpert and General Atlantic	Sellside Advisor to AuSum	Sellside Advisor to EIS Group

*Selected transactions were executed by Houlihan Lokey professionals while at other firms acquired by Houlihan Lokey or by professionals from a Houlihan Lokey joint venture company.

Proven Excellence Across a Range of Transaction Dynamics and Business Models (cont.)

Featured Insurance Distribution Transactions

Transaction					
Target Description	Atec is a technology and data-driven digital distributor of specialist personal lines insurance products.	NORTH is an independent tech-enabled insurance brokerage and advisory firm serving SMEs.	GGW offers a tech-enabled industrial insurance brokerage platform.	Klap is a tech-enabled specialist commercial lines insurance broker.	AccuRisk offers traditional insurance products alongside advanced data-driven risk mitigation solutions.
Deal Value and Type	Not Disclosed PE Buyout	Not Disclosed Strategic Acquisition	Not Disclosed PE Buyout	Not Disclosed Strategic Acquisition	Not Disclosed Strategic Acquisition
Geography	 	 	 	 	 
Houlihan Lokey Banker Role	Sellside Advisor to Atec and Kester Capital	Sellside Advisor to NORTH and Polaris	Sellside Advisor to GGW and Hg	Sellside Advisor to Klap and Nedvest	Sellside Advisor to AccuRisk

Case Study on Page 14

Exclusive Financial Advisor to Keylane and Waterland Private Equity

Houlihan Lokey executed the combined, simultaneous sale of Keylane's P&C and L&P businesses, culminating in the largest insurance software majority buyout transaction globally in YTD 2024



“

Keylane is the standout Northern European software vendor to insurers. We have followed Keylane closely for a number of years and admired its rapid growth and deployment of its advanced SaaS technology platforms into the European insurance ecosystem. Keylane has led the digital transformation of the P&C and L&P sectors across the Benelux, Nordic and DACH regions. We look forward to partnering with the Keylane team to accelerate growth and create a pan-European industry leader.

”

James Bailey, Investment Director,
Pollen Street Capital



P&C



L&P

Client Profile

Keylane is a leading European provider of robust, configurable, and customer-centric SaaS platforms for the insurance and pension industry. Keylane operated across two legally separated and operationally distinct businesses: Property & Casualty (P&C) and Life & Pension (L&P).

Houlihan Lokey's Role

Houlihan Lokey served as the exclusive financial advisor to Keylane and Waterland and assisted in initiating, structuring, and negotiating transactions for both the P&C and L&P businesses on their behalf after marketing the businesses as distinct, separate investment opportunities. Houlihan Lokey was appointed over an exceptional track record of delivering superb outcomes to insurance technology businesses.

Transaction Snapshot

Houlihan Lokey was engaged to identify a value-maximizing new partner for each of the businesses simultaneously, in turn affording Waterland Private Equity a complete exit following a decade-long holding period. Pollen Street's investment and value creation strategy will reinforce and enhance Keylane's reputation as Northern Europe's leading core pension and insurance SaaS provider, accelerate the group's organic growth, and support the ongoing development of Keylane's proprietary technologies. The new ownership is expected to continue to drive Keylane's pan-European expansion, both organically and via M&A.



Financial Advisor to the Special Committee of the Doma Board of Directors

Houlihan Lokey acted as the financial advisor to the special committee of the Doma board of directors on the company's merger with Title Resources Group.



Client Profile

Doma is a real estate technology company that is innovating a century-old industry by building an instant and frictionless home closing experience for buyers and sellers. Doma uses proprietary machine intelligence technology and deep human expertise to create a vastly more simple and affordable experience for everyone involved in a residential real estate transaction, including current and prospective homeowners, mortgage lenders, title agents, and real estate professionals. With Doma, what used to take days can now be done in minutes, replacing an arcane and cumbersome process with a digital experience designed for today's world.

Houlihan Lokey's Role

Houlihan Lokey acted as the financial advisor to the special committee of the Doma board of directors.

Transaction Snapshot

On March 24, 2024, Doma (NYSE:DOMA) announced that it had entered into a definitive agreement and plan of merger with Title Resources Group (TRG), one of the nation's leading title insurance underwriters. In the transaction, TRG would acquire all of the outstanding shares of Doma for \$6.29 per share of common stock in an all-cash transaction, an approximate premium of 43.0% over Doma's closing share price on March 27, 2024, and an approximate 33.9% premium over the trailing 30-day volume weighted average closing price ending March 27, 2024.

doma

“

Today's announcement is a win for Doma's stockholders and for both companies' employees and customers. This transaction is an important step in the growth and evolution of Doma, further strengthening us as we deploy our market-tested technology for large mortgage market participants.

”

Max Simkoff, Doma CEO

“

We look forward to partnering with the Doma team and providing excellent underwriting services to Doma's many strong agents.

”

Scott McCall, President and CEO of TRG

Exclusive Financial Advisor to Atec

Houlihan Lokey acted as the exclusive financial advisor to Atec and Kester Capital on its acquisition by Perwyn.



Client Profile

Atec is a powerful insurance distribution and growth platform led by CEO Brendan Devine and CFO Ian Gilbert. The group consists of Ceta, a leading digital niche personal lines broker, and the MGA Arkel. The business designs, distributes, and underwrites a range of specialist home and leisure insurance products within the U.K. wholesale and retail personal lines market on behalf of more than 340,000 policyholders.

At the forefront of tech-enabled insurance distribution and niche product and channel development, Atec has undergone impressive organic growth. Since 2020, it has more than tripled its revenue and profits, taken its GWP from under £25 million to more than £75 million, and grown customer policy volumes from 125,000 to 345,000.

Houlihan Lokey's Role

Houlihan Lokey served as the exclusive financial advisor to Atec. This transaction further strengthens the firm's leadership in the European insurance brokerage and MGA sector, where the team has advised on six transactions in the past 12 months, and in digital B2C financial services distribution, a core focus of our European financial services and technology team.

Transaction Snapshot

Atec was acquired by Perwyn, a leading private equity investor in the European market, in an off-market transaction. Perwyn will partner with the Atec management team to harness the company's strong momentum and further strengthen its position as a leading technology and data-led specialist insurance platform, both organically and through M&A.

atec

“

We have been thoroughly impressed by the whole Atec team, with whom we've been building a shared vision over an extended period, culminating in this bilateral deal. We look forward to supporting the business to even greater heights over the coming years.

”

Edward Lunken,
Investment Director, Perwyn

Houlihan Lokey Acquires Waller Helms, Deal Amplifies Insurance Sector Leadership

Acquisition Substantially Enhances Houlihan Lokey's Coverage Capabilities in the Insurance and Wealth Management Sectors, Doubling the Size of Financial Services Group

The transaction solidifies Houlihan Lokey as the premier investment banking advisor in these sectors and underlines the firm's leadership across the global financial services sector.



No. 1
Global Insurance
Sector M&A Advisor⁽¹⁾

⁽¹⁾ On a pro forma combined basis based on LSEG data for calendar year 2023 performance. Tombstones included herein represent transactions closed from 2020 forward.

Featured Waller Helms Insurance Sector Advisory Engagements

 Advised Minuteman Adjusters on its sale to: September 2024	 Advised THL Partners on its majority investment in: August 2024	 Advised Simplicity on its majority investment from: August 2024	 Provided Fairness Opinion to The Horton Group in connection with its sale to: July 2024	 Advised Accuserve Solutions on its recapitalization by: March 2024
 Advised Bain Capital Insurance on its recapitalization of: February 2024	 Advised DOXA Insurance on its sale to: November 2023	 Advised Spartan Recoveries on its sale to: a portfolio company of BlackRock March 2023	 Advised Alacritty Solutions on its sale to: BlackRock February 2023	 Advised Picwell on its sale to: January 2023
 Advised Patra on its investment from: September 2022	 Advised BenefitMall on its sale to: August 2022	 Advised Lion Street on its sale to: January 2022	 Advised Underwriters Safety & Claims on its sale to: December 2021	 Advised Hancock Claims Consultants on its sale to: December 2020

Founded in
2014

Advised on
230+
Deals...

Worth More Than
\$40B
Of Aggregate Value

Houlihan Lokey's Financial and Valuation Advisory Practice Is Highly Active in the Insurance and InsurTech Markets

Market leader in providing valuation, diligence, and financial opinion advisory services. The Financial and Valuation Advisory practice is organized as a coordinated team of transaction and valuation specialists, with solutions and expertise tailored to the needs of a given situation.

Board Advisory and Transaction Opinions

- Fairness Opinions
- Solvency and Other Capital Adequacy Opinions
- Special Committees

Transaction Advisory Services

- Financial and Accounting Diligence
- Transaction Tax Advisory
- Accounting and Financial Reporting Advisory

Fund Opinions

- Affiliate Fund Fairness Opinions
- Fund Transaction Valuation

Corporate Valuation Advisory Services

- Purchase Price Allocation
- Goodwill Impairment
- Financial Modeling Service, Complex Securities

Portfolio Valuation and Fund Advisory

- Fair Value Reporting
- Investment Advisory Services
- Structured Product Valuation and Pricing
- Derivatives Valuation and Risk Management

Dispute Resolution Consulting

- Dispute Resolution and Financial Expert Opinions

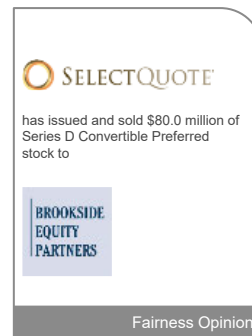
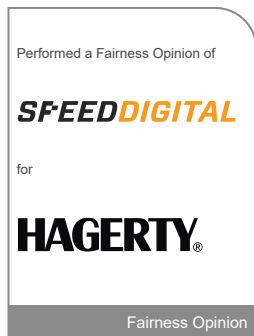


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Illustrative FVA Insurance and InsurTech Client Engagements



No. 1

Global M&A Fairness
Opinion Advisor Over
the Past 25 Years

2,000+

Annual Valuation
Engagements

FVA Emerging Solution Spotlight: *Building an Equity Culture for InsurTech and Broker Platforms*

Aligning the interests of all stakeholders in a business is key to ensuring its success. Creating an equity culture whereby both employees and shareholders have skin in the game can be the most effective way to accomplish this.



Employee Incentive Plans

- In most deals, a meaningful portion of the company's equity is allocated to an employee incentive plan (typically up to 10%–20% of equity ownership).
- No matter the form (i.e., common equity, options, profit interests, etc.), the goal is always the same: align an employee's interests with those of the overall firm and its investors.
- This employee-owned equity can be distributed upfront after an acquisition, on an ongoing basis as part of total compensation, or both.
- Most frequently, performance thresholds need to be met before equity vests or becomes "in the money." These thresholds are typically related to value appreciation or other financial metric (i.e., revenue or EBITDA).



Equity as Acquisition Currency

- Equity is a highly effective currency to fuel M&A and to lay a strong foundation for an enduring equity culture.
- Offering a portion of the overall transaction consideration in the form of equity can help align the interests of the selling senior executives who will continue running the business and can also help with long-term retention.
- Leveraging equity as currency can ease the cash burden associated with M&A and allow for more financing flexibility, which is especially relevant in high-interest-rate environments.
- Acquirers often pay up to, or even more than, 30% of the overall deal consideration in the form of rollover equity.

We Can Help You Establish These Valuation Parameters

- Engaging Houlihan Lokey as an independent valuation agent will drive validation across all stakeholders versus using an internally produced valuation.
- Our technical and industry expertise allows for the delivery of a world-class work product.
- Our more than 50-year history as a global leader in financial and valuation advisory inspires confidence in the executives, boards of directors, special committees, investors, and business owners we serve.





Insurance End Market Update and Key Investment Themes

02

Significant Tech Adoption Occurring Throughout the Insurance Value Chain

Insurance Market and Technology Environment (Pages 19–25)



Insurance Ecosystem Remains Resilient

Insurance industry’s assets, people, and premiums continue to scale despite climate and regulatory challenges.



Dynamic End Market Activity Within P&C, Life, and Annuity

Complex environment for P&C as the climate evolves, inflation tempers, and asset complexity rises; life insurance seeing bounce back, annuity sales thriving on rate volatility changes.



Technology Transformation in Insurance is in Early Stages, Compounding via AI

“InsurTech 2.0” is well underway, with “3.0” trends beginning to surface.



Resilience and Growth of Tech Spend and Adoption

Spending by carriers and brokers is growing at a 13%+ CAGR for external software—driven by secular forces and technology and data-powered arms race—while internal IT spending remains roughly flat.



Accelerating Adoption of AI in Insurance

Initial estimates point toward more than \$1 trillion of annual value to be unlocked by AI capabilities in insurance alone.

Key Investment Themes (pages 26–32)



Data and Analytics Optimizing Full Value Chain

New Datasets & Enhanced Intake	Predictive Analytics and GenAI	Underwriting and Pricing Enhancement
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Core System Modernization

Claims Optimization	Policy Admin Enhancement	Risk Management and Compliance	Payment Innovation
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Front-Office and Distribution Optimization

Embedded and Integrated	Digital Engagement	Agent Empowerment	Customer Acquisition
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Emerging Insurance Product Lines

Pet	Sports	Cyber	Parametric	Flood	Renewable Energy
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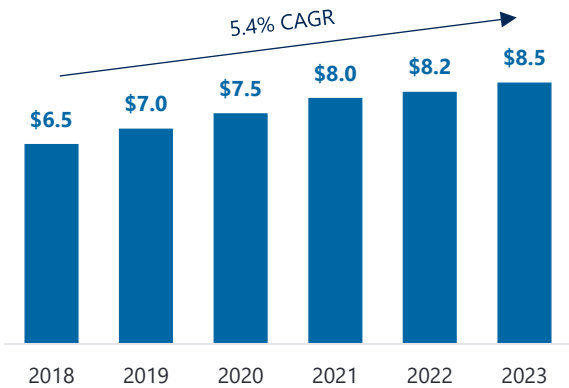


Insurance Ecosystem Remains Resilient

The insurance industry’s assets, people, and premiums continue to scale. Workforce composition aggressively evolving towards hybrid/remote setups, while lower interest rates may impact product and balance sheet strategies.

All-Time High Insurer Assets in 2023

Insurance Industry Cash and Invested Assets (\$ in Trillions)

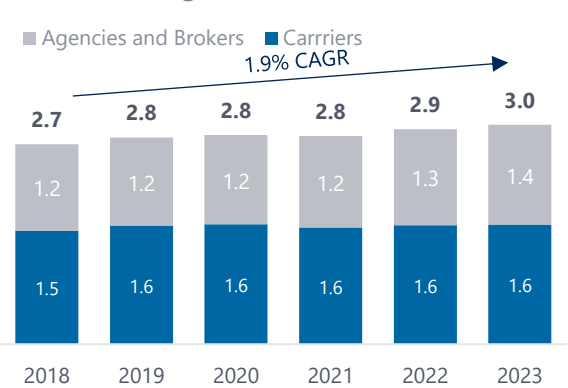


- An all-time high of **\$8.5 trillion of cash and invested assets** held by U.S. insurance companies was reached in 2023, an increase of 4.4% YoY.
- CAGR of **5.4%** from 2018 to 2023, a ~30%-dollar value increase.
- Hold **~77% in interest-bearing or linked assets** (e.g., bonds, treasuries, money market, mortgages, and other loans), **standing to face headwinds from anticipated interest rates cut in coming months and years following a period of elevated rates.**

Sources: NAIC, iii., AgentSync, and S&P Global.

Despite Growing Employment, Industry Facing Labor Challenges

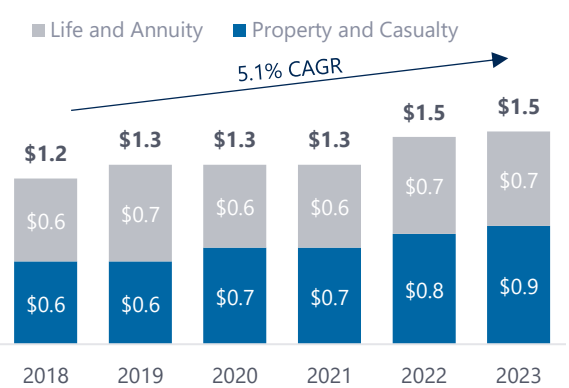
Insurance Employment, U.S. Market (Annual Average in Millions)



- Record employment in the insurance industry reached **2.975 million** in 2023, YoY growth of ~2.0%.
- Within the insurance and finance sectors, **69% of workers are either hybrid or fully work-from-home.** Only 31% work entirely from an office.
- Women hold **55%** of insurance roles across sales/agents, underwriting, claims adjusters, examiners, and investigators, and **80%** of claims and policy processing clerks.
- Skill gaps, an aging workforce, and recruiting challenges are acting as catalysts for accelerating technology adoption to provide operational leverage.

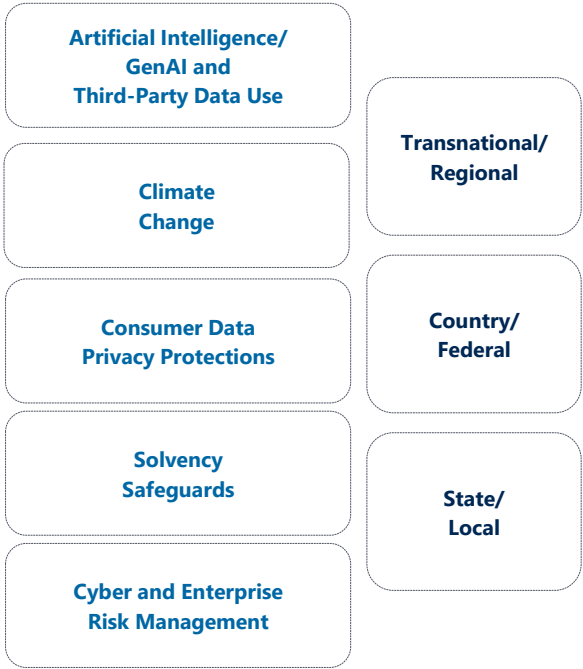
~5% Annual Premium CAGR

Direct Written Premium (\$ in Trillions)



- Direct written premium reached an **all-time high of \$1.54 trillion** in 2023, after a slight dip in 2020 from L&A.
- Recent uplift in part driven by **inflationary impact of claims activity.**
- **The top 10 insurers represented 48% of P&C direct premiums** written in 2023, in line with the same composition in 2008 of 49%.
- **The top 10 insurers represented 46% of L&A direct premiums** written in 2023, showing incremental diversification since 2008’s 58%.

Regulatory Environment Intensifying Across Multiple Key Facets of Insurance



Complex topics are further complicated by numerous regulatory bodies with varying agendas, timelines, and jurisdictions.



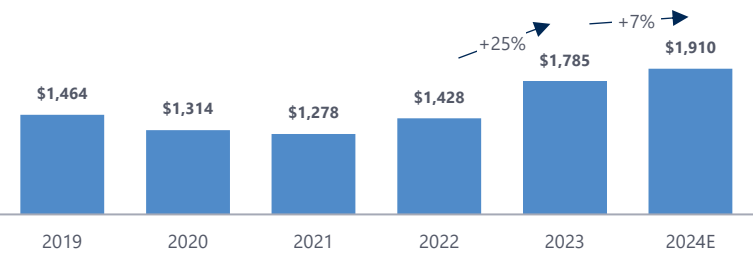
Dynamic End Market Activity Within P&C, Life, and Annuity



The **auto market** is challenged by shifts in driving habits, vehicle complexity, claim costs, and rate-sensitive customers. Customer experience and retention are primary focuses alongside garnering more detailed driver data to help lower premiums and prevent claims.

Auto Premiums Continue to Rise, Drive Significant Consumer Switching Activity

Car Insurance Cost (Annual Average, \$ Actual)



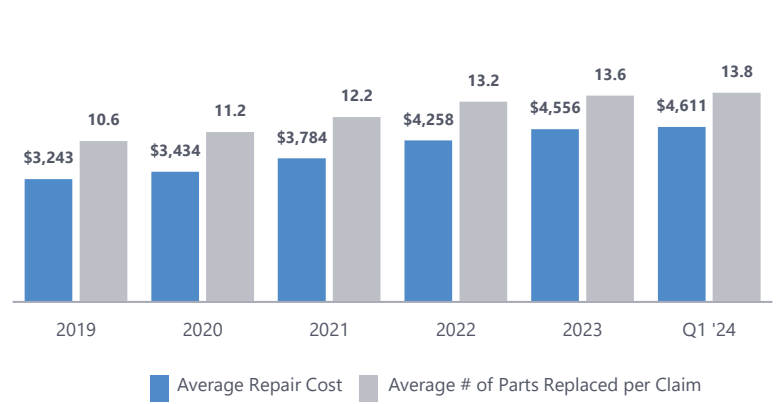
- Auto **premiums have increased dramatically in 2023**, and are expected to increase again in 2024, as carriers combat rising costs and changing claim dynamics.
- **Policy and coverage retention are under pressure** as customers shop around for better rates or decrease coverage to mitigate increases.

More Lethal and Costly Vehicles

- The **average vehicle has become heavier, more powerful, and more expensive**.
- **Increasing semiconductor chip utilization and reliance** are driven by the growing **penetration of new EV sales** (18% in 2023, up from 5% in 2019) and the increasing **utilization of electronics in ICE vehicles**.
- There is **increasing complexity of collision estimation and part procurement**; ~14 parts are now required for an average repairable claim, up from 10 parts in 2018.

More Severe, Complex, and Costly Auto Repairs

Average Cost of Total Repairs and Number of Parts Replaced per Claim (U.S. Auto Insurance Industry, Excluding Also Increasingly Costly Casualty Expense)

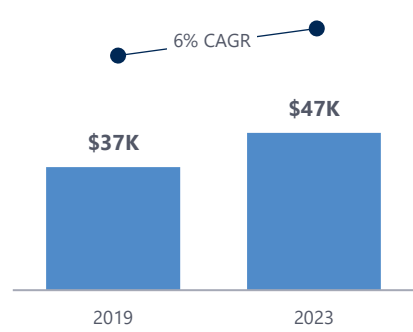


Home and Commercial Property

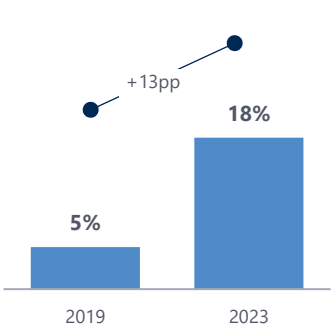


Life Insurance and Annuities

Average New Car Cost



Electric Vehicle % of Total Car Sales





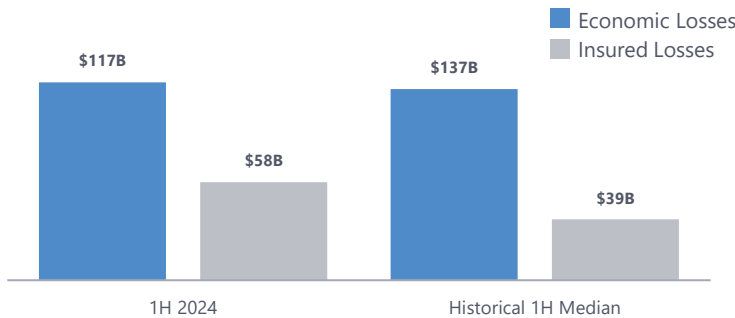
Dynamic End Market Activity Within P&C, Life, and Annuity (cont.)

Automotive

Home and commercial property markets are experiencing losses from natural catastrophes and rising claim costs. High-risk markets are being exited or paused by carriers as alternative capacity increases.

Life Insurance and Annuities

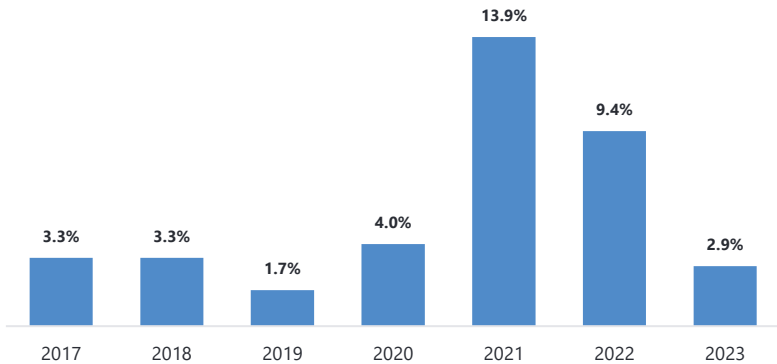
Insured Catastrophe Losses Increase as % of Economic Losses Globally
1H 2024 Global Economic Losses vs. Insured Losses From Cat Events



Extreme Weather and Catastrophe Risk Normalization

- Catastrophe risk has reached consistently elevated levels in recent years as the volume and severity of cat events and extreme weather have risen.
- The definition of natural catastrophe risk continues to be broadened from the traditional perils of earthquakes, floods, and windstorms in high-hazard zones.
- Heightened concern from underwriters incorporates such secondary perils as severe convective storms, wildfires, and freezes into the new definition.

Lowering Inflation Easing Property Replacement/Repair Costs; Claims Cost Analysis Remains Point of Optimization
Building Cost Index (2017–2023)



Content Spotlight:
Houlihan Lokey's Convergence Report on
The Intersection of Property and Insurance Technology
(April 2024 Edition)



Sources: Aon, Engineering News Record.



Dynamic End Market Activity Within P&C, Life, and Annuity (cont.)



Automotive



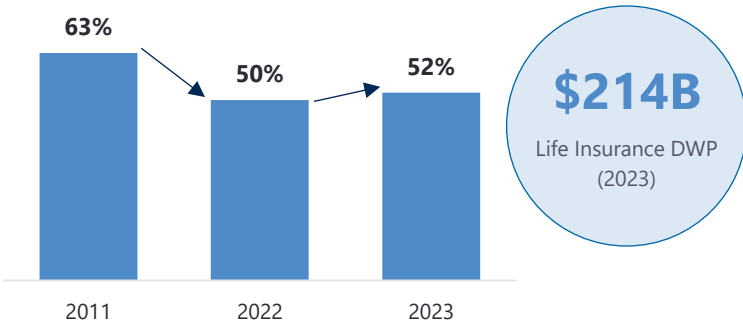
Home and Commercial Property



Life insurance is experiencing an increase in sales penetration as 100 million (U.S. individuals) address coverage gaps. **Annuity** sales increased dramatically and hit record highs as interest rate volatility, in part, drove consumers toward locking in higher fixed-rate products ahead of expected cuts.

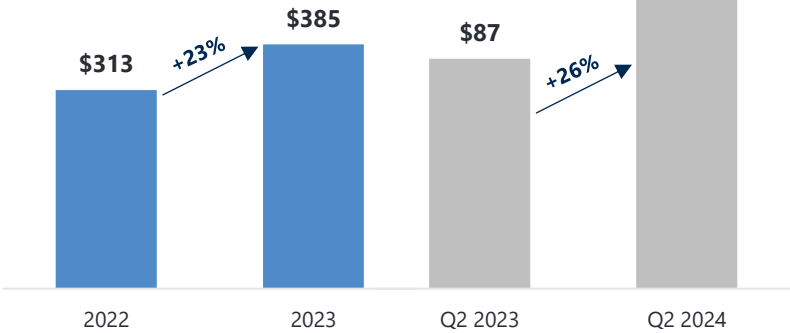
Uptick in Life Insurance Penetration Bucks Decade-Long Decline

% of U.S. With Life Insurance Coverage



Record High Annuity Sales in 2023, Q2 2024 Shows Acceleration

Annuity Sales (\$ in Billions)



Growth was driven in large part by fixed-rate annuity growth of 46%, reaching \$287 billion in 2023 contribution.

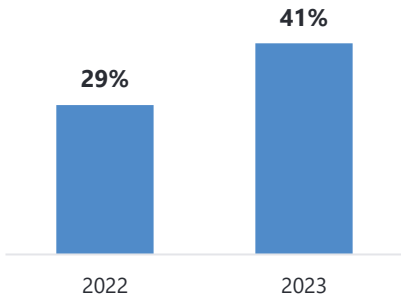
Significant Life Insurance Coverage Gap Persists

100M+
People Uninsured and Underinsured (U.S.)

38% of Americans reported that their household would face financial difficulties within six months if a breadwinner were to pass away, with **30%** facing such challenges within a month.

Dramatic Increase in Independent Broker-Dealer Share

Independent Broker-Dealer Share of Annuity Sales (U.S.)



Rate Cuts Could Be a Key Factor Driving Near-Term Demand

Potential for further near-term rise as consumers can lock in higher interest rates and potentially benefit from the improved product features and benefits offered by newer annuities.

Sources: LIMRA, iii.org, Wink.com, Think Advisor.



Technology Transformation in Insurance is in Early Stages, Compounding via AI

The insurance ecosystem is experiencing rapid acceleration in new/modern technological capabilities across all parts of the value chain; fulsome utilization is progressing with significant room for further adoption.



	"InsurTech 1.0"	—————> "InsurTech 2.0" —————>	Key Emerging "3.0" Topics
Financial	Growth at All Costs, Rapid Scaling No. 1 Priority	No. 1 Profitable Underwriting No. 2 Growth	Growth and Profit Joint No. 1
Lines of Business	Focus on Simpler, Lower-Ticket Personal Lines	Bigger-Ticket, More Complex Commercial and Specialty Lines	Cyber, Parametric, Flood and Broader E&S, Reinsurance
Customer Acquisition	High, Volatile CAC	Sustainable, Predictable CAC	Customer Ownership Amid Multi-Channel Acquisition; Human-Optimized Digital Journey
Distribution	Direct-to-Consumer, Online Marketplaces	Agent Empowerment, MGAs, and Embedded Channel	Vertical Integration, Multi-Channel, AI-Enabled
Key Areas of Innovation	Customer Acquisition, LOB Unbundling	Workflow Unbundling; Post-Bind (Especially Claims), New Datasets, and Payments	GenAI, Novel Datasets and Data Portability, Customer Tailoring
Product	Commoditized, Standard Rates and Forms	Actuarial-Led R&D, Underwriting Innovation, and Claims Automation	Connectivity and True Vendor Integration
Ecosystem	Point Solutions	Marketplaces and APIs	Data Pooling and Cooperation; Carrier-Broker Connectivity
Founders/Management	Generalist Tech Entrepreneurs	Industry Vets and Startup Talent	Industry Vets and Focused-Tech Entrepreneurs
Balance Sheet Risk	Full Stack Carrier Models	Tech-Driven MGAs/Enhanced Underwriting	New Product Appetite, Increase in MGA Risk-Taking, and Ability to Better Address Cat Zones

Sources: Insurance Journal, Insurance Thought Leadership.



Resilience and Growth of Tech Spend and Adoption

Strong forces driving technology adoption within insurance as spending patterns indicate clear (nearly exclusive focus) of new spend on external vendor solutions.

Factors Driving Accelerating External Spend

Legacy Constraints

- Complex, disjointed legacy systems can’t address modern needs and are costly to upkeep.
- IT turnover and related skilled IT labor shortages (and/or cost inefficiencies).
- Increasing cyber risk and exposure.
- Evolving regulatory landscape and operational burden.

Evolving Competition

- Rise of digital-native and digital-first carriers, MGAs, and brokers.
- Third-party software, data, and tech services have never been more accessible.
- De-bundling (and re-bundling) of both product suites and workflow segments.
- Technology-spurred arms race is underway.

Shifting Environment

- Engagement and product shift to digital—but human touch is still required.
- “Digital-native, mobile-first” with Amazon’s benchmark of immediacy/personalization.
- Risk environment evolving from changes in climate, driving, cyber, mortality, and more.
- Cohort of aging agents, brokers, and executives.

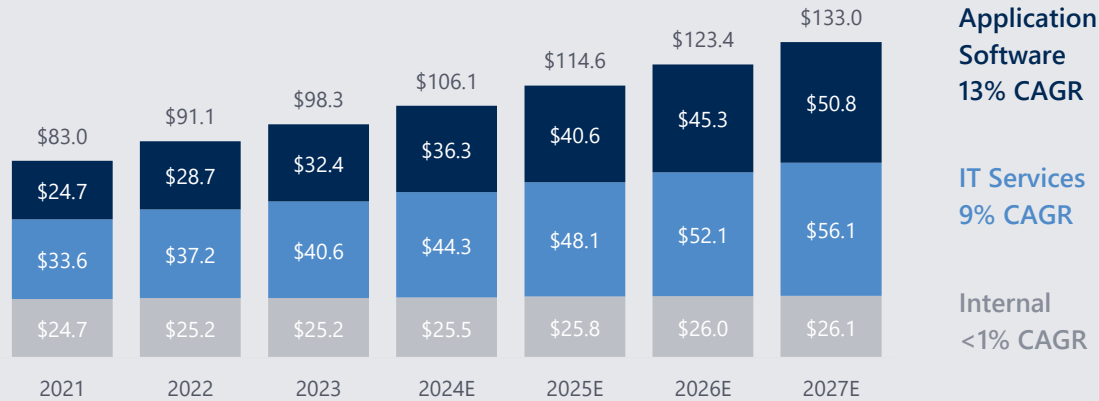
New Opportunities and AI

- New product opportunities emerging, speed of development and launch is critical.
- Existing product evolution and velocity of updates.
- Greater data depth, accuracy, portability, and analytics to improve the entire value chain.
- Access to new/incremental demand via digital distribution partners.
- Emerging use cases and rapidly evolving utilization of AI capabilities putting pressure on inadequate operating and data infrastructure.



\$100 Billion of External Tech Spend by 2027

North America Insurer, Reinsurer, Broker Enterprise IT Spend (P&C and Life, \$ in Billions)



Clear ROI Parameters for Third-Party Tech



Sources: Gartner and Datos Insights.

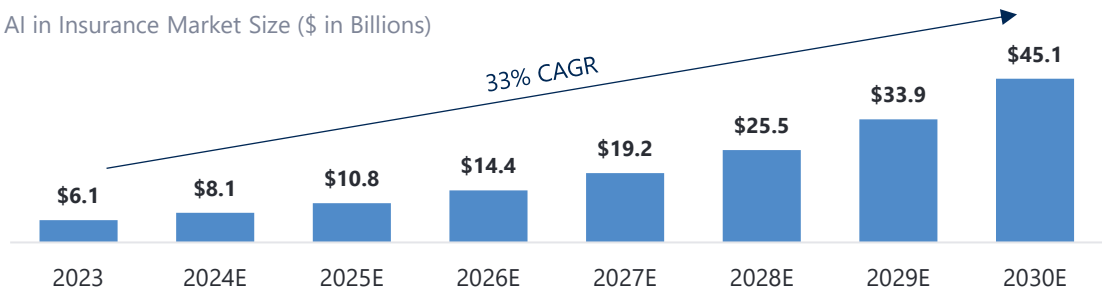


Accelerating Adoption of AI in Insurance

Insurance stakeholders are investing heavily in novel (Gen)AI capabilities to optimize workflow and outcomes throughout the value chain.

Rapid Growth in the Use of AI in Insurance

AI in Insurance Market Size (\$ in Billions)



33%

YoY growth in AI Adoption in the Insurance Industry (2024)

70%

Of Insurance Executives See AI as a Key Part of Their Company's Strategy

27%

Increase in Agent Productivity for Insurance Companies That Use AI

30%

Increase in Customer Satisfaction for Insurance Companies That Use AI

95%

Of Insurance Customer Interactions Will Be Facilitated by AI by 2025

74%

Of Consumers Say They Would Be Happy to Receive Insurance Advice From AI

AI technologies could add up to \$1.1 trillion in annual value for the global insurance industry:
Approximately \$400 billion from pricing, underwriting, and promotion technology upgrades and \$300 billion from AI-powered customer service and personalized offering.

Sources: McKinsey, Precedence Research, SmartTek, WorldMetrics, RTS Labs, Plat AI, The Zebra.

Use Cases for AI in Insurance Are Pervasive



Personalized Insurance Policy Buying

AI systems have the capability to evaluate individual risk profiles based on a variety of factors and offer customized pricing, attracting a wider range of customers and improving risk management.



Risk Assessment and Underwriting

AI algorithms can process large datasets to accurately assess risk factors and predict outcomes, leading to better pricing strategies for insurers.



Automated Claims Assessment and Processing

AI-based solutions can interpret claims data, verify policy details, negate fraud, and make intelligent payout decisions, creating a more efficient, accurate, and cost-effective end-to-end claims process.



Business Process Automation

AI automation can handle routine tasks in insurance such as data entry, compliance checks, report generation, etc., cutting human resources for complex tasks and eliminating the chance of manual errors.



Customer (Self-)Service

Intelligent chatbots offer 24-hour support services for customer inquiries and enable them to manage their policies and claims online, resulting in higher customer satisfaction and reduced operational costs.



Investment Themes

Data and Analytics Optimizing Full Value Chain

Data and related analytics capabilities are a key battleground for vendor and ecosystem participants alike, with the ability to materially impact each value chain segment from customer targeting to claims processing.

Themes Driving Investment in Data and Analytics

- New Datasets and Enhanced Intake

 - New datasets, such as those garnered from telematics, IoT, computer vision, and social internet, offer valuable novel sightline into personal and business behavior.
 - Nascent lines such as cyber insurance are largely without decades of actuarial and run loss data that lines of business such as life, auto, and property rely on—prompting the need for new data capture, monitoring, and analytics.
 - Data intake enhancements ensure better, more accurate source data.
- Predictive Analytics And GenAI

 - Fueled by advancements in computing power and accessibility of both structured and unstructured data, predictive analytics and GenAI are being aggressively adopted.
 - Key uses today include fraud prevention and risk assessment with increasing utilization for customer targeting, lifecycle management/personalization, and enhanced self-service.
- UW And Pricing Enhancement

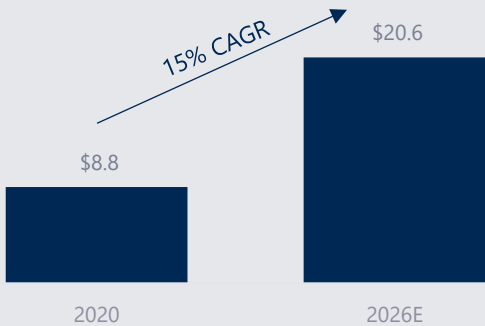
 - Responding quickly to market movement with the latest risk and pricing data is imperative in a dynamic internal and external environment.
 - Vendors offer real-time creation of personalized product offers and pricing that account for a wide variety of customer risk factors while allowing carriers and brokers to monitor deployed rates and adapt new pricing strategies.

Sources: MarketsandMarkets, ChatGPT response to prompt for “characteristics of high-quality data.”



Rapid Growth in Analytics

Insurance Analytics Market (\$ in Billions)



Data Fuels Analytics

Characteristics of High-Quality Data

Accurate	Complete	Consistent
Timely	Reliable	Valid
Accessible	Portable	Novel

Representative Transactions

NEW DATASETS & ENHANCED INTAKE

INDICO DATA

raised capital from GUIDEWIRE & others

AI-Driven Intake and Workflow Automation

Roots Automation

raised capital from Harbert Management Corporation & others

Data-Driven Process Automation Software

Millennium Information Services, Inc.

acquired by xceedance

Property Inspection and Data Analytics

PREDICTIVE ANALYTICS AND GENAI

CLARA Analytics

raised capital from Nationwide & others SPRING LAKE EQUITY PARTNERS

AI-Driven Claims Intelligence Platform

GRADIENT AI

INTELLIGENT INSURANCE DATA

raised capital from CENTANA & others

Predictive Analytics and AI-Driven Underwriting Solutions

PLANCK

acquired by APPLIED

GenAI Data Platform for Commercial Insurers

UW AND PRICING ENHANCEMENT

hyperexponential

raised capital from Battery & others

Insurance Pricing Decision Intelligence Software

AKUR8

raised capital from ONE PEAK & others

Machine Learning-Powered Insurance Pricing Platform

earnix

raised capital from INSIGHT PARTNERS & others

Enterprise Pricing and Rating Engine

Investment Themes Core System Modernization

Modernization of insurance core systems is critical to sustainably compete for and serve customers in the current environment.

Themes Driving Investment in Core Systems

Claims Optimization

- Tech-led automation can dramatically improve the speed, accuracy, and cost of claims processing from FNOL to subrogation—improving customer satisfaction and profitability.
- Computer vision, especially for physical damage, and new data and analytics drive automated estimation and empower adjuster productivity to drive faster repair and procurement processes.

Policy Admin Enhancement

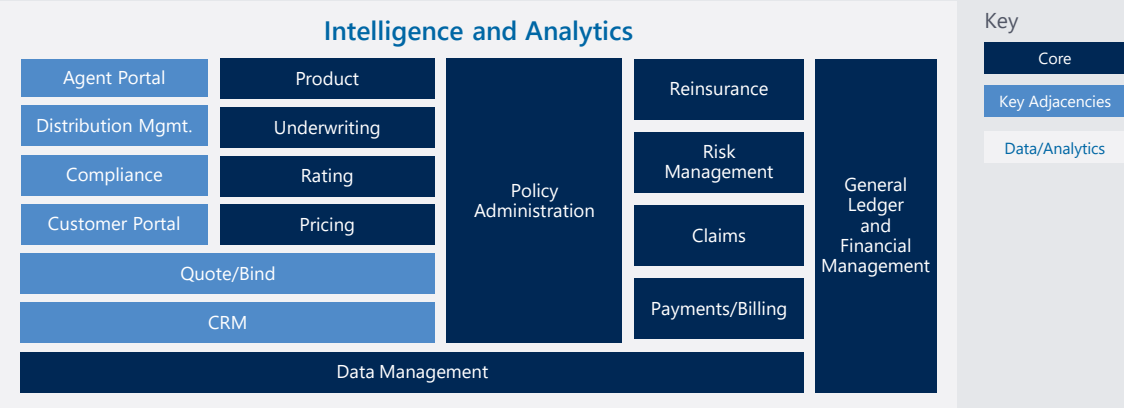
- Modular and microservice-oriented core software help carriers to move more quickly and flexibly to improve administration and product development outcomes.
- Enhances ability to launch new insurance products quickly as well as more readily adapt and integrate emerging and new vendor solutions.
- Can reduce the burden of development on IT and drop development cycles from months to days through low/no-code capabilities.

Risk Management and Compliance

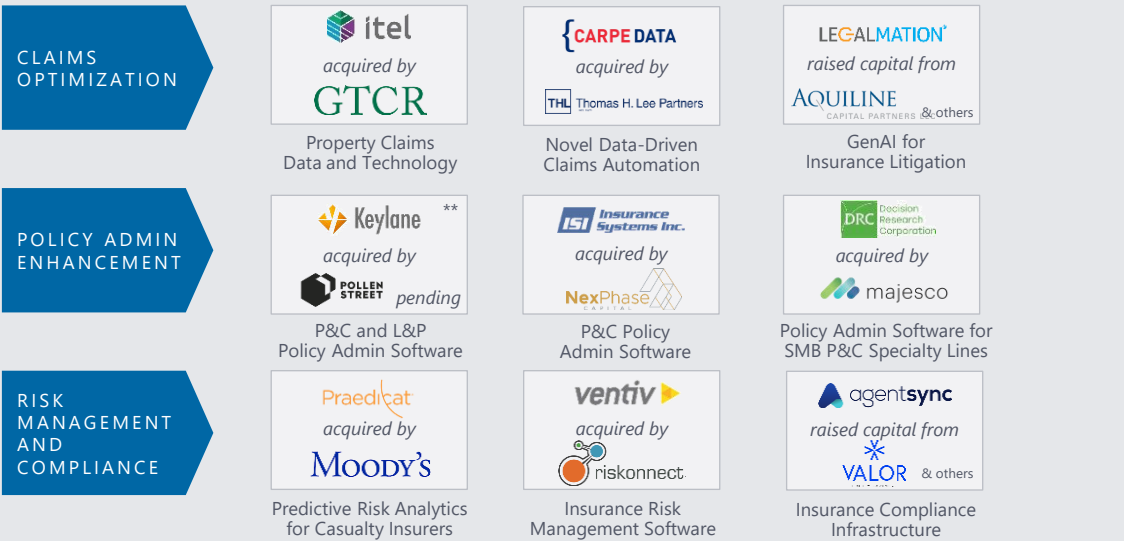
- Increasing complexity of the overarching risk environment across multiple facets requires enhanced monitoring and management capabilities.
- Regulatory and compliance, cyber exposure, ESG, and climate change, for example, are each shifting risk dynamics for enterprises and insurers.
- Software and data-led solutions help optimize risk management programs and alleviate operational burdens while enhancing outcomes.

(1) Houlihan Lokey adaptation of graphic originally developed by Novarica.
**Houlihan Lokey transaction.

Core Comprises Numerous Integrated Functions⁽¹⁾



Representative Transactions



Investment Themes

Core System Modernization (cont.)

Spotlight on Insurance Payments

Comprising a complex intertwined network of agents, brokers, adjusters, carriers/payers, and providers/vendors, the insurance payments ecosystem is undergoing significant technology and software-led modernization.

Themes Driving Investment in Core Systems (cont.)

Payment Innovation

- Fragmentation of distribution and claims workflow creating challenges for traditional billing and payment workflow beyond product complexity such as PAYG, UBI, and premium financing.
- Digital and automated collection, sending and settlement of premium, commission, and claim payments can improve customer experience and retention as well as cash flow dynamics for agents, brokers, and carriers.
- Persistence of physical check payment offers a long-term transition opportunity.

Surge in Payments-Related Strategic Activity Within Insurance Software Platforms


APPLIED
 Applied Announces Launch of Applied Pay
The only natively integrated payments solution for the insurance industry is now live


GUIDEWIRE
 Deliver Modern Payment Experiences with Guidewire and One Inc's New Guidewire Marketplace Apps

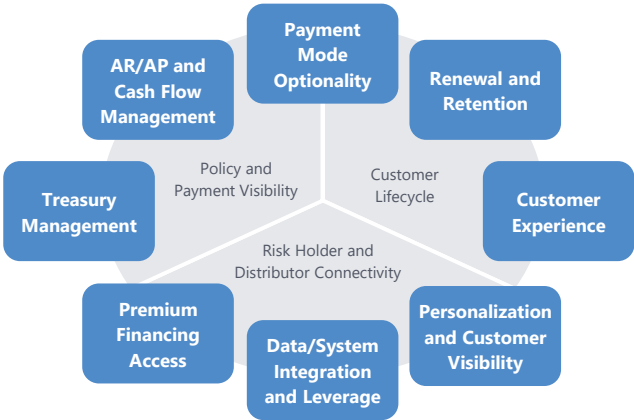

insurity
Insurity to Provide Sure Claims Payments as a Standalone Offering, Allowing Insurers to Go Live with the Cloud-Based Solution in Just 4 Weeks


CCC
 CCC Announces Plan To Deliver Enterprise Payments Platform To The P&C Insurance And Automotive Ecosystem


Duck Creek Technologies
 Duck Creek to acquire Imburse Payments, a modern payments platform


OneShield
OneShield and One Inc Partner on Insurance Industry Payment Solution Ecosystem with Input 1, Expanding Insurance Payment Capabilities

Payments Workflow Touches Many Points of the Insurance Journey



Significant Payment Volumes at Stake

\$1.5 Trillion

Annual Premium Volume⁽¹⁾

P&C, Life, and Annuity (in the U.S.)

→ Premium Billing and Payments

With Significant Downstream Payment Volumes

+ Commission Distribution
+ Claims
+ Refunds/Reimbursements
+ Financing
+ Vendors and Payroll



Representative Transactions



received an investment from



Digital Insurance Payments Network



acquired by



Insurance Payments Software



raised capital from



Property Insurance Claims Payments Software



raised capital from



SaaS for Insurance Financial Ops



acquired by



SaaS Insurance Payments Platform



raised capital from



Insurance Treasury and Payment Technology

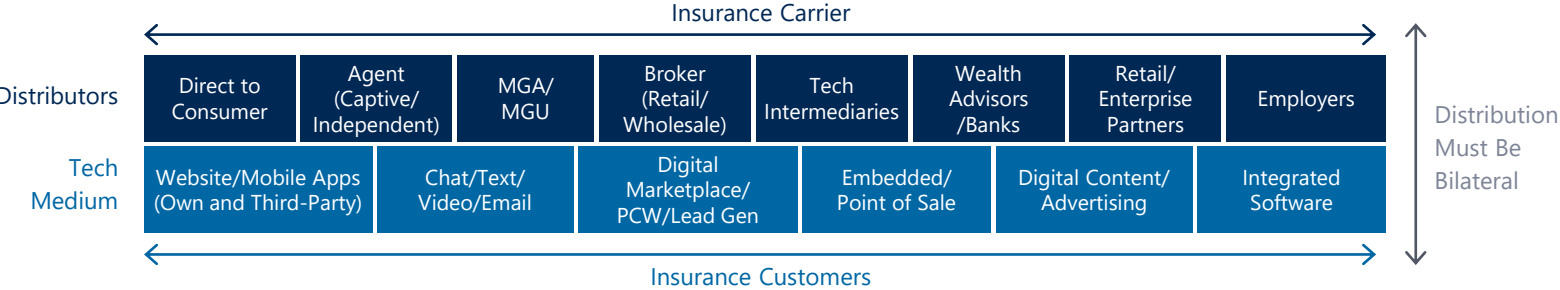
Investment Themes Front-Office and Distribution Optimization

Distribution is increasingly complex yet remains rich with technology-led opportunities.

Themes Driving Front-Office Software and Digital Distribution Investment

Embedded and Integrated	- Leverage existing customer relationships and buying processes of insurance-relevant products to include insurance as a feature, unlocking opportunities for high-margin and high-growth revenue opportunities for partners and insurers alike. “Vertical integration” is emerging via distribution and administration capabilities built into vertical software platforms, adding incremental revenue and enterprise functionality.
Digital Engagement	- Carriers and brokers are increasing investment in optimizing customer experience to build stronger brand loyalty and better retention and identify cross/upsell opportunities. - Enhanced retention and LTV and better alignment of risk holding can be achieved by modern, multi-channel digital communication and personalization/consumer analytics as well as enhanced self-service capabilities.
Agent Empowerment	- Despite pressure from direct-to-consumer, the complexity of the insurance buying process drives persistent consumer demand for value-added human touch. - Software and data are helping agents enhance engagement and relevancy across all digital channels as well as automate low-value and repetitive activities (e.g., form filling).
Customer Acquisition	- Rate volatility and increases often lead to increased price comparison shopping and carrier switching. - Carriers investing for growth are focused on multi-channel digital/media, which is easier to manage and determine efficacy of than traditional media. - Digital channels are to be optimized for both customer new acquisition and re-acquisition/renewal.

Illustrative Tech Distribution Framework



Representative Transactions



raised capital from



and others

Embedded Property Insurance



raised capital from



and others

AI-Powered Insurance Comparison Services



received an investment from



CAPITAL PARTNERS LLC

Digital Commercial Insurance Marketplace



acquired by



TECHNOLOGY PARTNERS

Agency Management for Health and Life



acquired by



PARTNERS

1099 Management and Insurance Policy Admin SaaS



raised capital from



ASPEN CAPITAL GROUP and others

Front-Office SaaS for Agents and Brokers

Investment Themes Emerging Insurance Product Lines

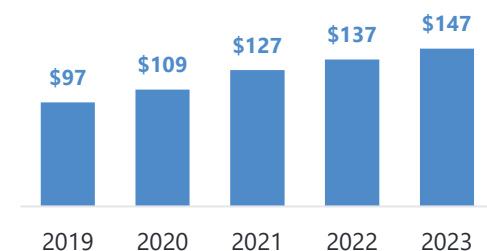
The humanization of pets and the growing pet population drive demand for pet insurance solutions, while an increasing number of sports participants and a tighter regulatory environment present a large market opportunity for sports insurers.



Pet Insurance

Key End Market Trends

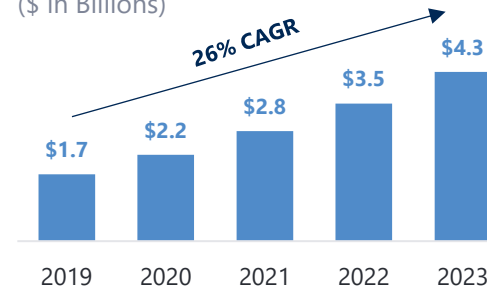
Total U.S. Pet Industry Expenditures (\$ in Billions)



- Growing Pet Population
- Increasing Veterinary Care Costs
- Humanization of Pets and Heightened Focus on their Health and Wellness
- Increasing Demand for Tech-Enabled Pet Products
- Rising Incidence of Diseases in Cats and Dogs

Insurance Development

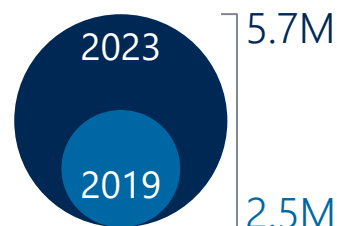
Pet Insurance GWP (U.S. and Canada) (\$ in Billions)



Total Number of Insured Pets (U.S.)

2.3x
Growth

U.S. pet insurance market is primed for further growth, with the European market holding a revenue share of 44% in 2023.



Selected Vendors
to Watch

ManyPets

napo



PawlicyAdvisor

SHELTERLUV

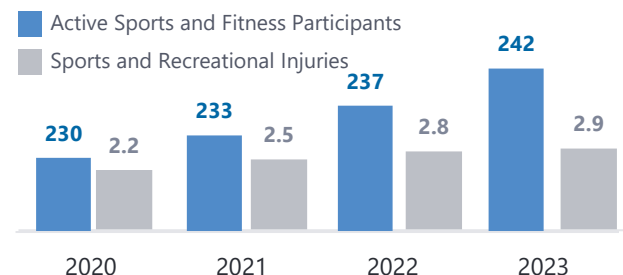
Synergy
PET GROUP



Sports and Related Events Insurance

Key End Market Trends

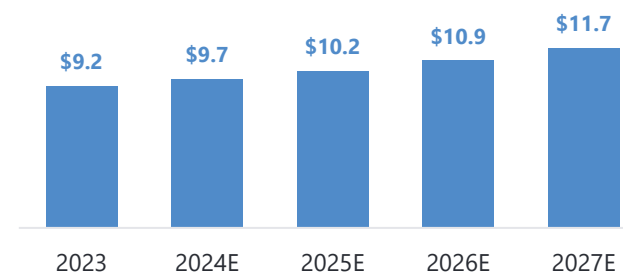
Increasing Sports Participants and Injuries (U.S. in Millions)



- Growth in Sports Participation
- Increasing Number of Sports Injuries
- Growing Awareness of Sports Risks
- Increasing Legal and Regulatory Requirements for Sport
- Increasing Investment in Sports Facilities
- Increasing Participation in Extreme and Adventure Sports

Insurance Development

Sports Insurance GWP (U.S. and Canada) (\$ in Billions)



Near-Term Growth Driven by...



Increased Adoption



Improved Digital-Led Distribution



Early-Stage Vertical Software Integration

Selected Vendors
to Watch

SPORTS
INSURANCE.COM

PLAYERS
HEALTH

LEAGUEAPPS

stacksports

teamsnap

Sports Vertical Software With Insurance Upside



Investment Themes Emerging Insurance Product Lines (cont.)

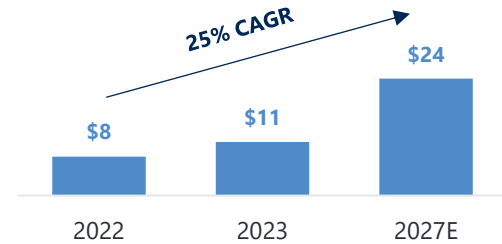
Cyber insurance market continues to grow despite headwinds, while an increasing number of severe weather events drive demand for the simpler and more accurate settlement process offered by parametric insurance.



Cyber Insurance

Key End Market Trends

Global Cybercrime Losses
(\$ in Trillions)

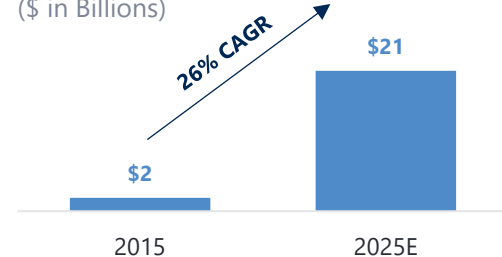


- Increasing Intensity of Cyber Attacks
- Rapid and Continuous Evolution of Cyber Threat Landscape and Risks
- Gen-AI Being Deployed as a Powerful Tool for Attackers

\$4.9M Average Cost of a Data Breach to a Business in 2024

Insurance Development

Global Cyber Insurance GWP
(\$ in Billions)



Cyber insurance is one of the fastest-growing insurance line today, as businesses seek to protect their IT infrastructure, digital products, and data against increasingly costly cyberattacks.

Selected Vendors
to Watch

at
bay

Coalition

cowbell

CyberCube

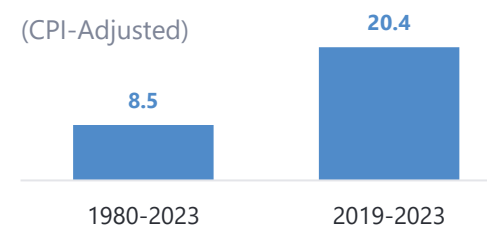
resilience



Parametric Insurance

Key End Market Trends

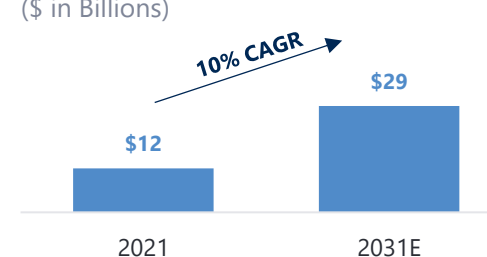
Annual Average Billion Dollar Climate
and Weather Disasters (U.S.)
(CPI-Adjusted)



- More frequent, intense, and expensive U.S. natural disasters.
- Inability to assess risk and price effectively within regulatory limits.
- Risk buyers remain challenged to find adequate coverage to address a growing protection gap.
- Emergence of new AI-driven technologies to assess climate risk.

Insurance Development

Global Parametric Insurance GWP
(\$ in Billions)



“

Parametric insurance is gaining traction in the industry with the continued **evolution of big data and the creation of sophisticated technology** for monitoring triggering events and the **simple settlement process** that offsets the uncertainty created by inflationary impacts in traditional lines.

EVP, Nationwide

”

Selected Vendors
to Watch

JUPITER

KatRisk

zesty

Climate/Weather Data and Analytics

Arbol

CelsiusPro

DESCARTES

Raincoat

TOWER

Digital MGAs Offering Parametric Coverage



Investment Themes Emerging Insurance Product Lines (cont.)

The increasing occurrence of flood events and the move away from national programs drive demand for private flood insurance, while the global shift towards renewable energy creates a large new market for insurance.



Flood Insurance

Key End Market Trends

99% Of U.S. Counties Impacted by Floods

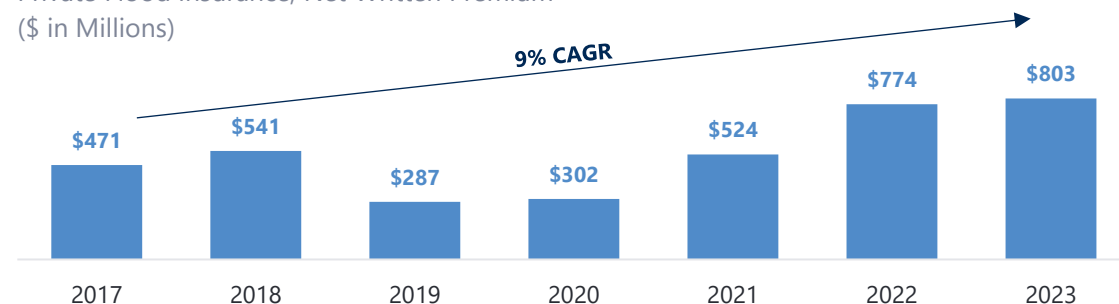
4% Of Americans Have Flood Insurance

40% Of NFIP Claims Are Outside of Flood Zones

- Increasing occurrence of flood events.
- Regulatory developments such as FHA allowing insured mortgage holders to select private insurance in December 2022.
- Subsequent shift from national programs (e.g., NFIP) to private insurance vendors.
- Advances in predictive modeling and analytics for enhanced underwriting and pricing capabilities.

Insurance Development

Private Flood Insurance, Net Written Premium
(\$ in Millions)



Selected Vendors to Watch

FloodFlash

NEPTUNE

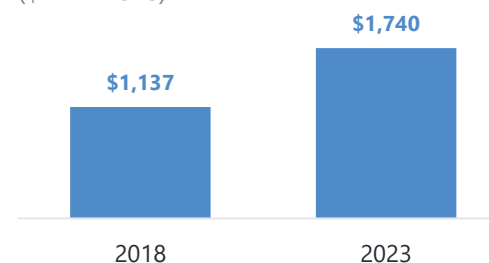
reThought FLOOD
TECHNOLOGY. TRANSPARENCY. TRUST.



Renewable Energy Insurance

Key End Market Trends

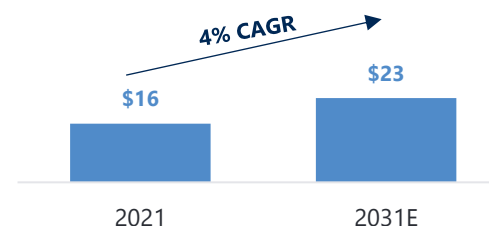
Global Energy Investment in Clean Energy
(\$ in Billions)



- Secular shift toward renewable energy sources from fossil fuels invoking large investments in renewables infrastructure.
- Severity and frequency of hail, hurricanes, and floods pose a significant threat to solar assets, putting clean energy goals at risk.
- Solar and wind to power 50% of global energy in the next 20 years.

Insurance Development

Renewable Energy Insurance Market
(\$ in Billions)



Wind



Solar



Battery Energy Storage

Selected Vendors to Watch

ENERGETIC CAPITAL

kWh analytics

NEW ENERGY RISK



InsurTech Vendor Market Maps

03

Insurance Technology Landscape

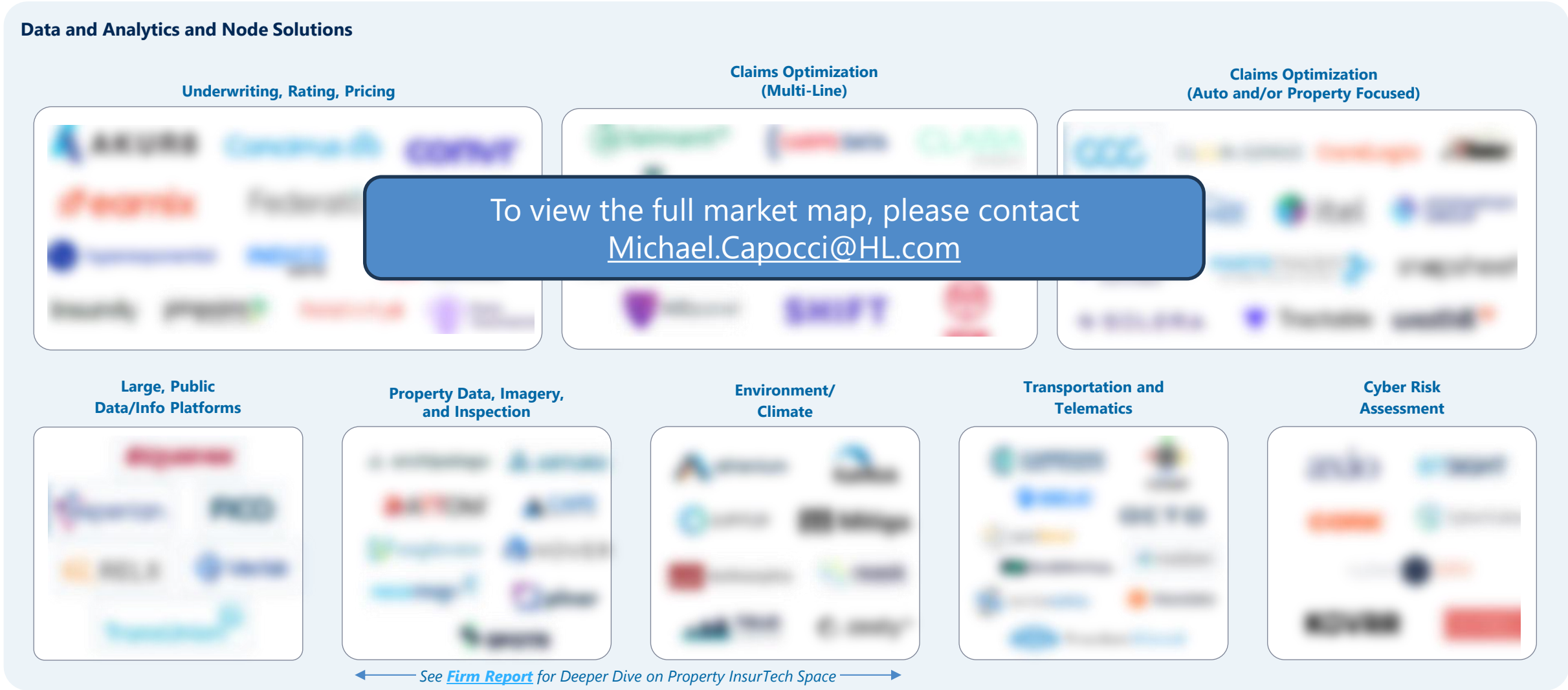
Front Office, Core System Software, and Payments

Selected insurance technology companies (public, investor-backed, and privately held).



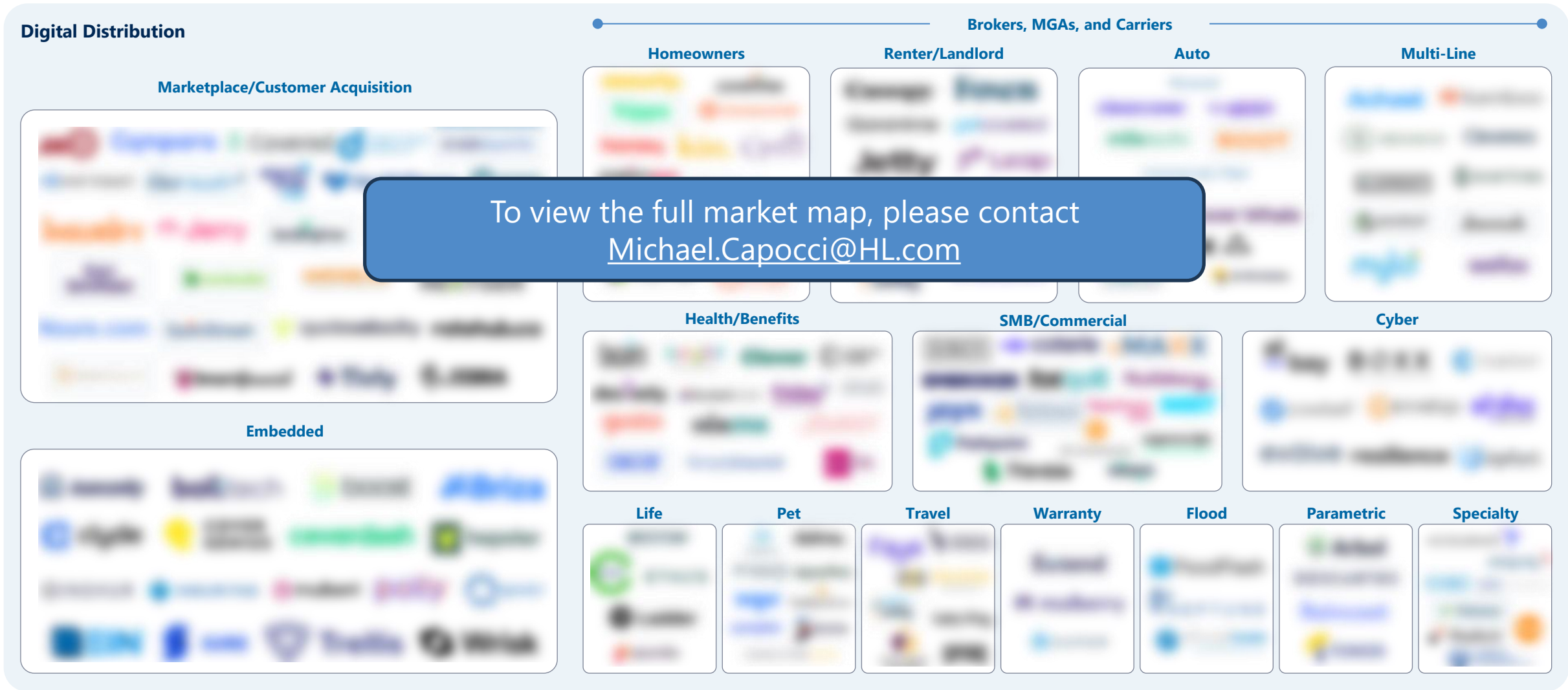
Insurance Technology Landscape Data and Analytics and Node Solutions

Selected insurance technology companies (public, investor-backed, and privately held).



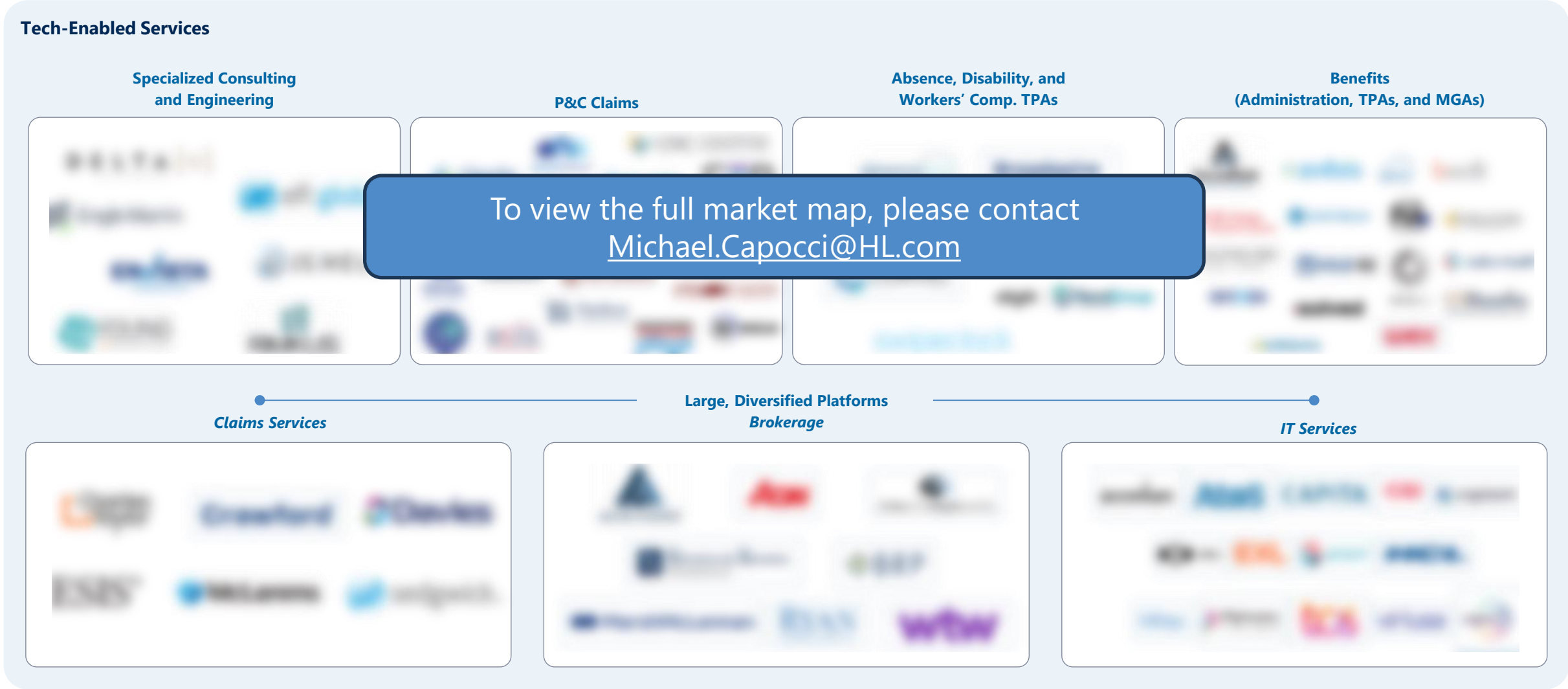
Insurance Technology Landscape Digital Distribution

Selected insurance technology companies (public, investor-backed, and privately held).



Insurance Technology Landscape Tech-Enabled Services

Selected insurance technology companies (public, investor-backed, and privately held).



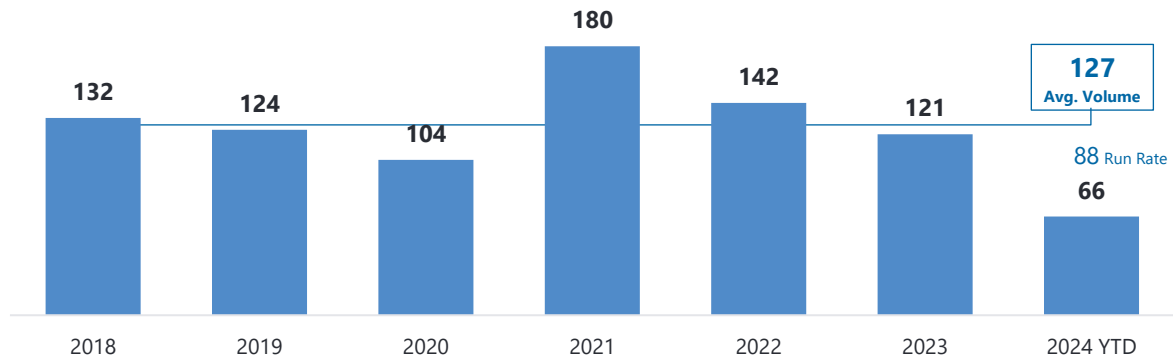
InsurTech Market Activity
Update: Investors, Acquirers,
and Transactions

04

Global InsurTech M&A and Capital Raise Transaction Volumes Drop Below Pre-COVID-19 Levels

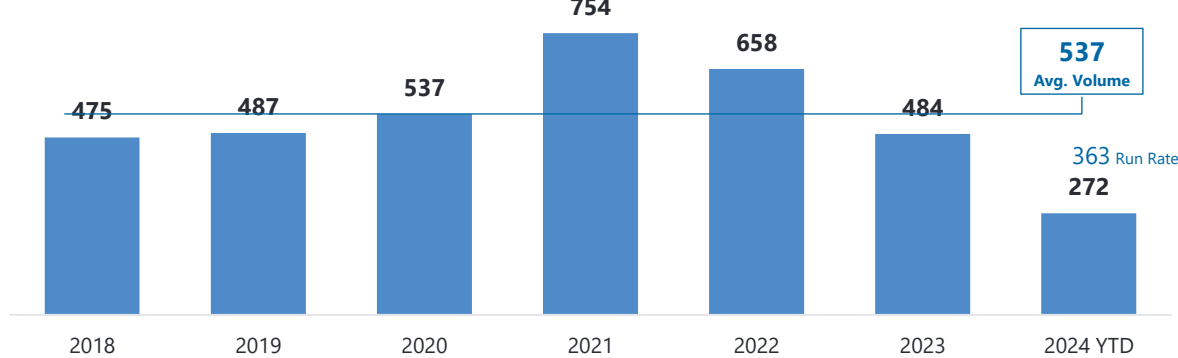
Mergers and Acquisitions

Annual Deal Count



Growth and Venture Capital

Annual Deal Count



Representative M&A Transactions (Sep-24 LTM)


acquired by


Life and Non-Life Policy Admin Software


acquired by


Title Insurance Underwriting and Distribution Platform


acquired by


P&C Insurance Core Software Platform


acquired by

pending

P&C and L&P Insurance Core Software

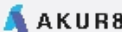

acquired by


GenAI-Based Data Platform for Commercial Insurers


acquired by

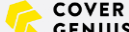

Predictive Risk Analytics for Casualty Insurers

Representative Growth and Venture Transactions (Sep-24 LTM)


raised capital from

& others

Machine Learning-Powered Insurance Pricing Platform


raised capital from

& others

Global Distribution Platform for Embedded Insurance

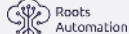

raised capital from


AI-Driven Cyber Insurance Provider


raised capital from

& others

Insurance Solutions for the Carbon Credit Market


raised capital from

& others

Data-Driven Process Automation Software for Insurers


raised capital from

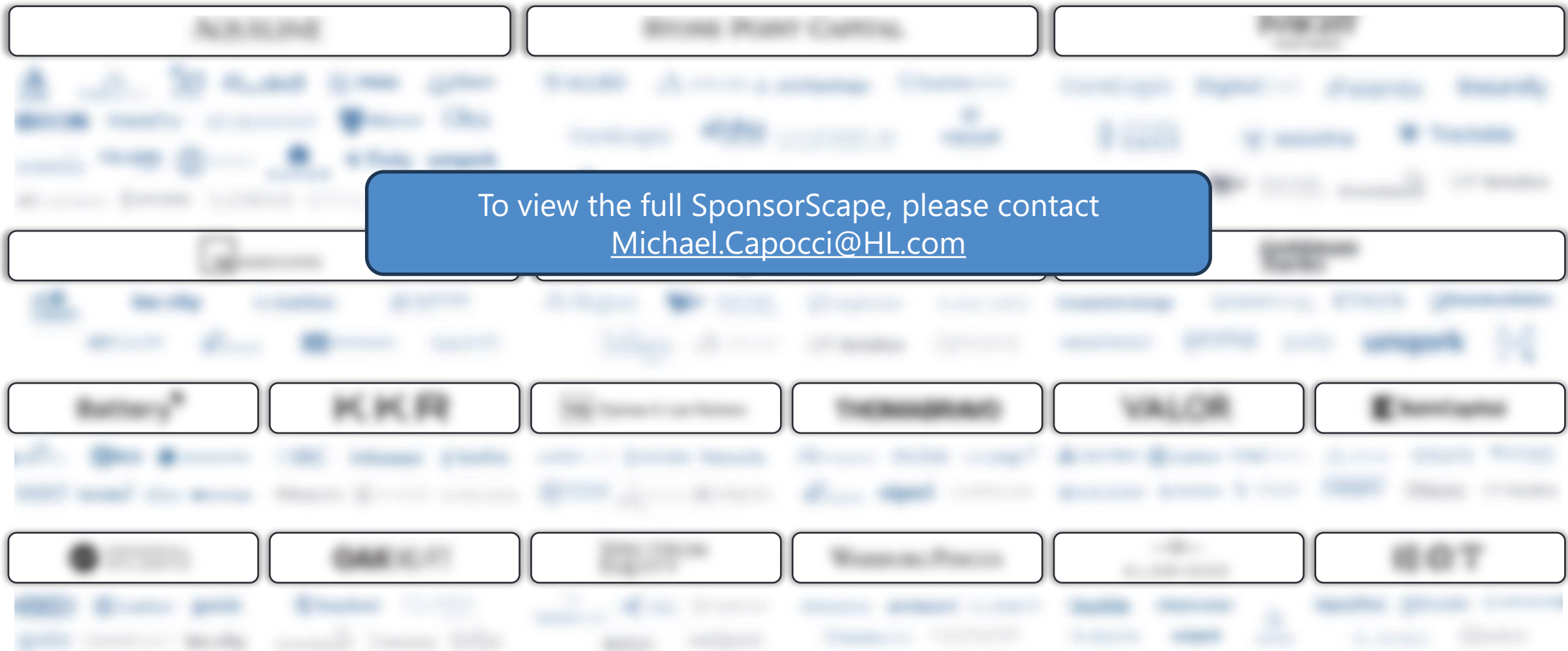
& others

Treasury and Payment Service Provider for the Insurance Sector

Source: PitchBook (latest insurtech reporting as of September 30, 2024).
** Houlihan Lokey transaction.

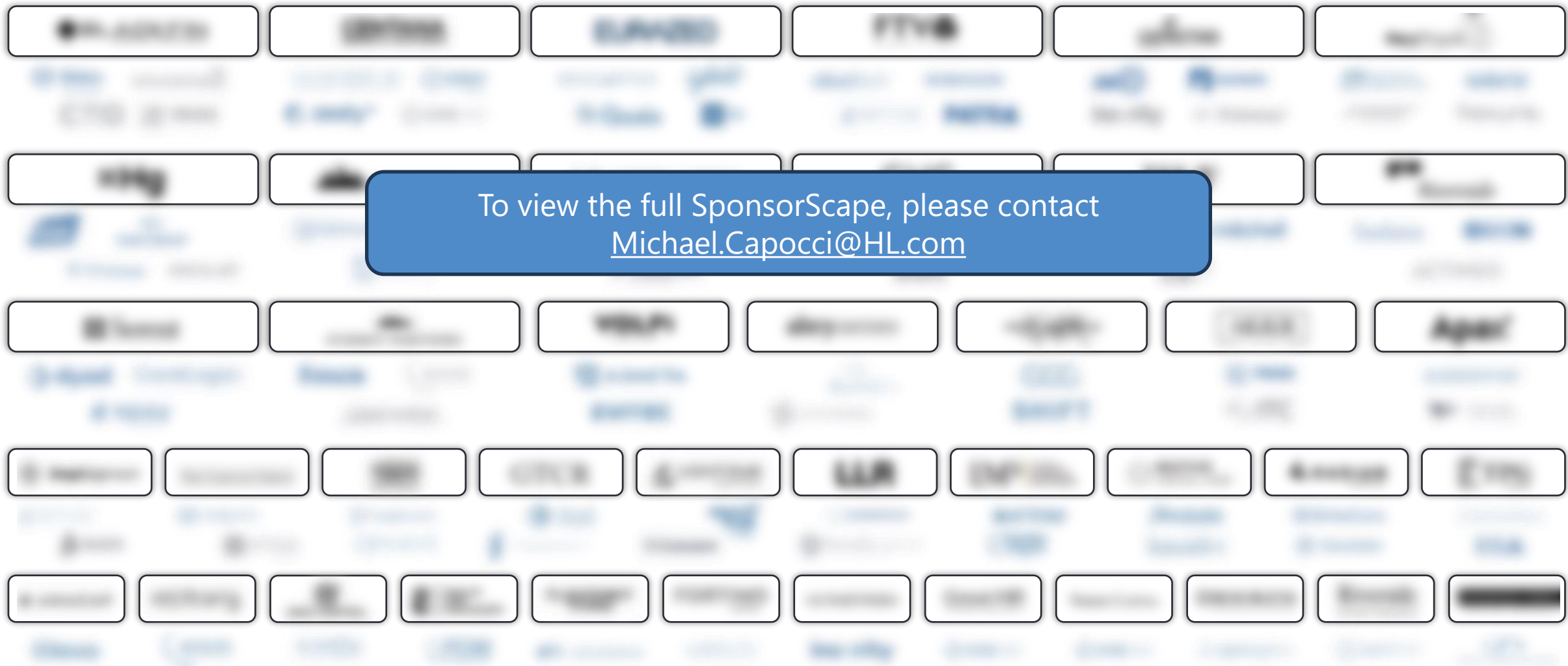
InsurTech SponsorScape Investor Field Is Broad and Diversified

Illustrative Majority and Growth Investors



InsurTech SponsorScape Investor Field Is Broad and Diversified (cont.)

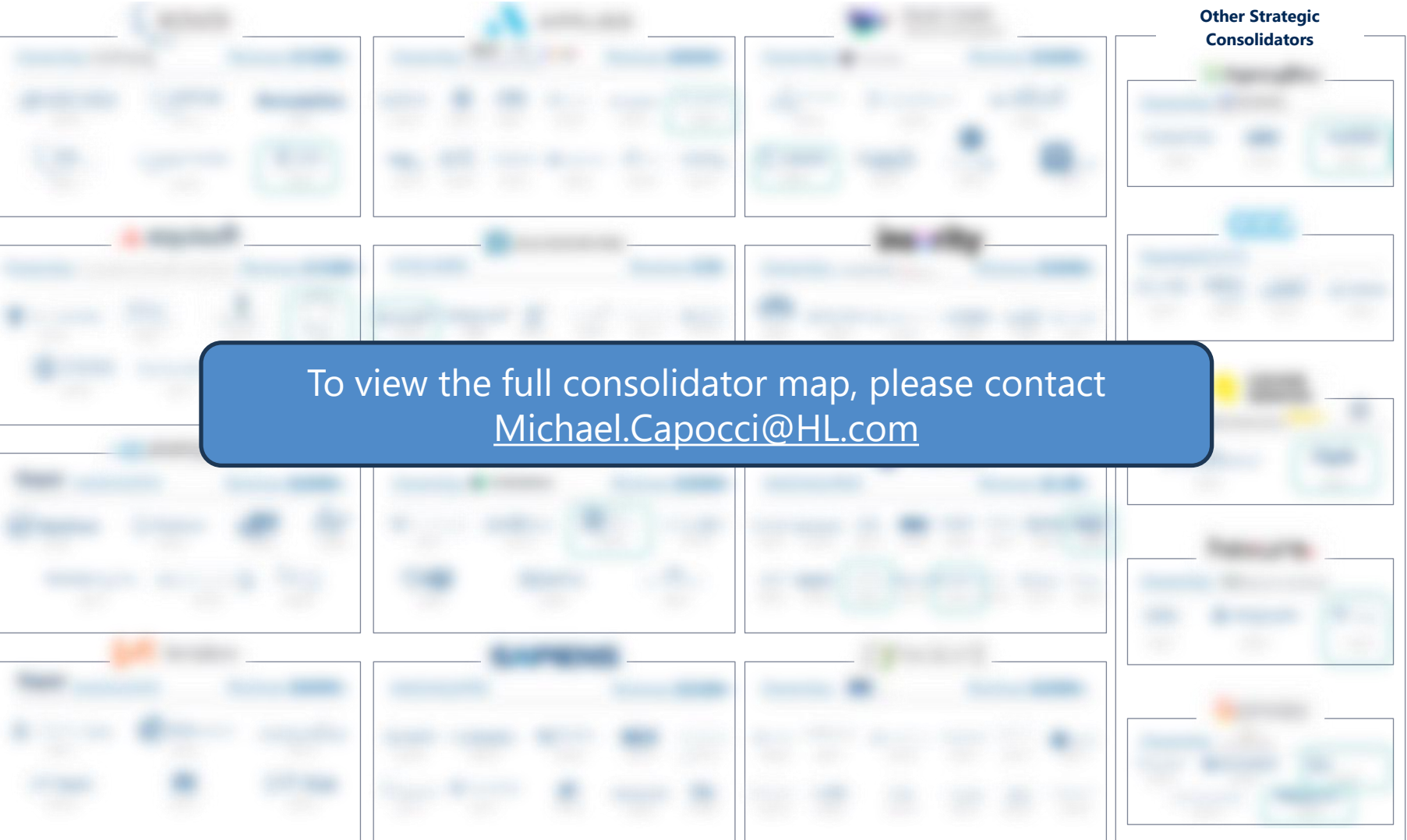
Illustrative Majority and Growth Investors (cont.)



Strategic Consolidation Remains Active

Major Platforms Bolster
Their Platforms
via M&A, and Emerging
Businesses Scale
Inorganically

Representative Insurance Software and Data/Analytics Consolidators



To view the full consolidator map, please contact Michael.Capocci@HL.com

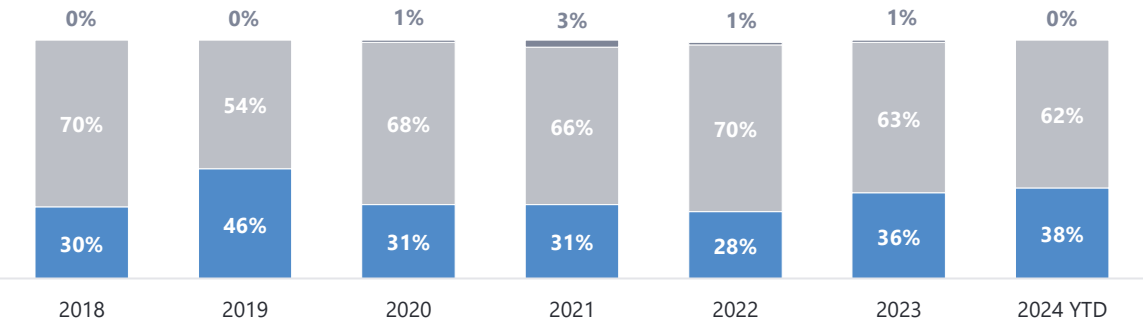
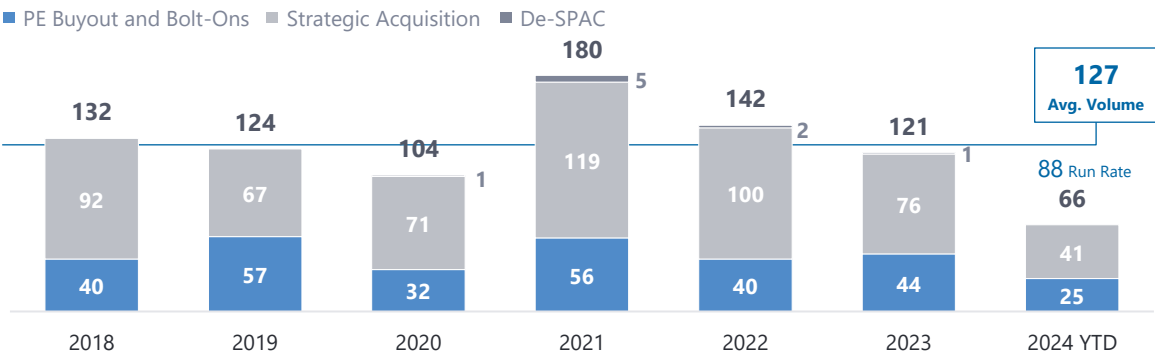
DEALS SINCE 2023

*Note: Selected, non-exhaustive acquisitions depicted from January 2014 to September 2024.
Denotes minority investment.

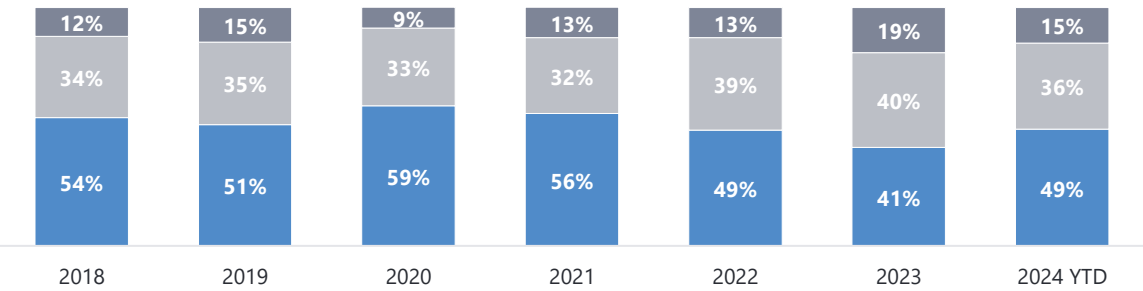
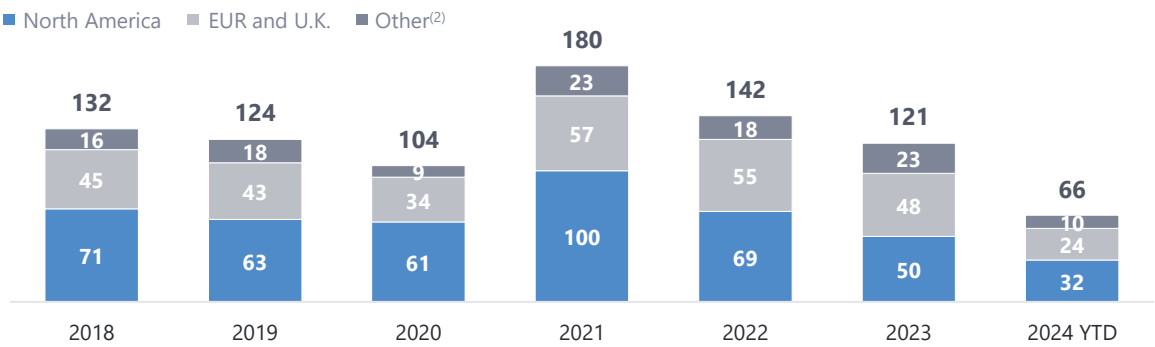
InsurTech Mergers and Acquisitions

Active, but stifled, consolidation.

M&A Deal Count and Contribution by Type



M&A Deal Count and Contribution by Target Region⁽¹⁾



Source: PitchBook (latest insurtech reporting as of September 30, 2024).
Notes: Completed deals only. Data is non-exhaustive but highly representative of market trends.
(1) Excludes Accelerator/Incubator and Grant Deals.
(2) Other includes Central America, South America, Asia, Africa, the Middle East, and Oceania.

Selected InsurTech M&A Activity (Sep-24 LTM)

Buyer composition remains stable despite lower deal volume.

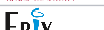
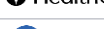
Date	Target	Target Country	Target Description	Acquirer	Acquirer Type	Acquirer Country	EV (\$M)
Sep-24	 Millennium Information Services, Inc. an insurance company		Property data and analytics and inspection services for the insurance industry.	Xceedance	Strategic		--
Sep-24	 Praedixat		Predictive analytics software for casualty insurance underwriting.	Moody's	Strategic		--
Sep-24	 Policy Expert		Digital MGA for property, automotive, and pet insurance.	Cinven	PE		--
Sep-24	 Speedwell Climate		Weather risk management software serving insurance and other industries.	Vaisala	Strategic		--
Sep-24	 Milliman		P&C reserving software.	Akur8	Strategic		--
Sep-24	 e-TeleQuote Insurance		Medicare insurance digital marketplace.	GoHealth	Strategic		--
Aug-24	 GREENHILL Insurance Services		Tech-enabled MGU focused on the allied health industry .	Ryan Specialty	Strategic		--
Aug-24	 Active Quote		Online health and life insurance brokerage and comparison services.	Howden	Strategic		--
Aug-24	 EBIX		E-commerce service provider for the insurance, financial, and healthcare industries.	Eraaya Lifespaces	Strategic		\$361
Aug-24	 Keylane		Core insurance platform for the P&C and L&C sectors.	Pollen Street Capital	PE		--
Aug-24	 US Assure		Underwriting and policy admin platform for builder's risk insurance.	Ryan Specialty	Strategic		\$1,475
Jul-24	 PLΔNCK		AI-based data and analytics platform for commercial insurance underwriting.	Applied Systems	Strategic		--
Jul-24	 Marble		Insurance comparison and policy management platform.	The Zebra	Strategic		--
Jul-24	 itm InsurTech Market		Data management and technology solutions for the L&P market.	Lumera	Strategic		--
Jun-24	 INSURENT from ABI Software		Lease guarantor provider for renters, landlords, and real estate brokers.	MRI Software	Strategic		--
Jun-24	 Zendrive (Tech Assets)		AI-driven mobility risk intelligence platform.	Intuit	Strategic		--
Jun-24	 atec		Digital distributor and underwriter of personal lines insurance products.	Perwyn	PE		--
Jun-24	 isio.		Data-driven pension and benefits advisory services.	Aquiline	PE		--
Jun-24	 acturis acturis technology		End-to-end platform offering policy admin, distribution, and underwriting for P&C insurance.	Astorg	PE		--
Jun-24	 Cleva		Policy management, risk assessment, and insurance customer service software.	AnaCap	PE		--
Jun-24	 healthypaws PET INSURANCE & FOUNDATION		Digital MGA for pet insurance.	Chubb	Strategic		--
Jun-24	 ISI Insurance Systems Inc.		P&C core insurance platform offering policy admin, billing, and claims solutions.	NexPhase Capital	PE		--
May-24	 CHARLES RIVER DATA		Data science and geo-analytics provider.	Neptune Flood	Strategic		--
Apr-24	 GeoVera		Digital MGA specializing in residential earthquake services.	SageSure	Strategic		--

Sources: PitchBook, S&P Capital IQ, Mergermarket.com, other publicly available company filings, and industry news reports.

Note: Deals are listed chronologically based on transaction announcement.

Selected InsurTech M&A Activity (Sep-24 LTM) (cont.)

Buyer composition remains stable despite lower deal volume.

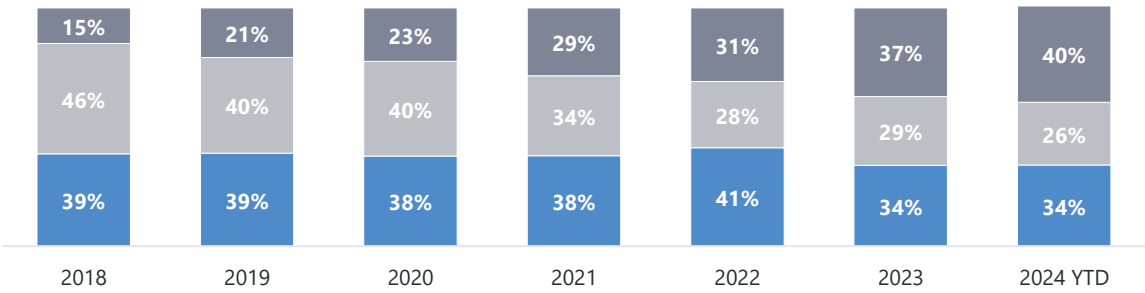
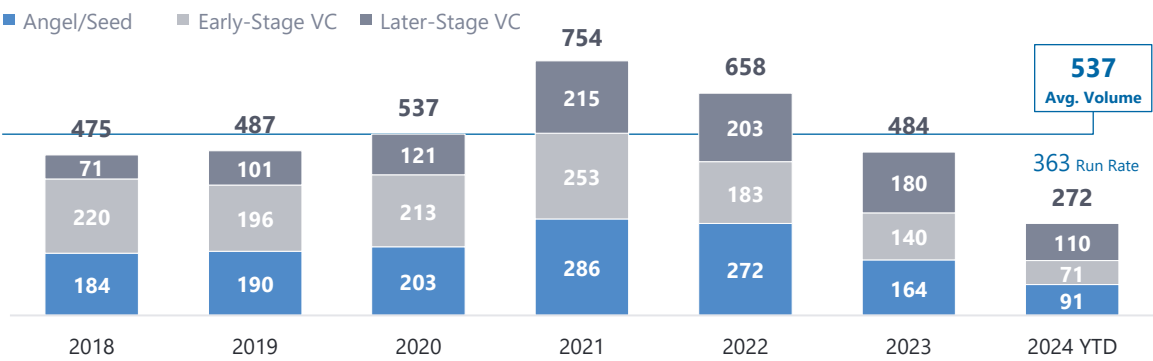
Date	Target	Target Country	Target Description	Acquirer	Acquirer Type	Acquirer Country	EV (\$M)
Apr-24	 HUG HUB		Digital portal for brokers and MGAs and self-service purchasing solutions for consumers.	Open GI	Strategic		--
Apr-24	 GEOSITE		AI-driven geospatial analytics platform serving insurance and other industries.	Descartes Labs	Strategic		--
Apr-24	 SunFire		Cloud-based Medicare platform offering quoting and enrollment services.	KKR	PE		--
Mar-24	 ACCUSERVE		Full-service managed repair platform providing property restoration services.	Flexpoint Ford	PE		--
Mar-24	 ONE INC		Digital insurance payments network.	Nordic Capital	PE		--
Mar-24	 doma		Title insurance underwriting platform.	Title Resources	Strategic		--
Feb-24	 RYZE		Outsourced claims management services for carriers and MGAs.	Bain Capital	PE		--
Feb-24	 EBIX (L&A Assets)		Life and annuity assets of EBIX.	Zinnia	Strategic		--
Jan-24	 humn (Tech & IP)		MGA offering commercial auto coverage and telematics data to assess driver behavior.	Aon	Strategic		--
Jan-24	 AGENCYROOT		Agency management software for the crop insurance industry.	Ever.ag	Strategic		--
Jan-24	 rocket es		Claims processing and underwriting platform.	Verisk	Strategic		--
Jan-24	 ventiv		SaaS platform offering risk management, claims, billing, and policy admin solutions.	Riskconnect	Strategic		--
Jan-24	 DRC Decision Research Corporation		Enterprise rating and core solutions for the P&C market.	Majesco	Strategic		--
Dec-23	 AQS L.L.C.		Quoting software for insurance agents.	Harris Computer	Strategic		--
Dec-23	 AMETROS		Medical insurance claims management platform.	Webster Financial	Strategic		\$350
Dec-23	 Singlife		Tech-enabled multi-line insurance broker.	Sumitomo Life	Strategic		\$3,430
Dec-23	 F Fathom		Water risk intelligence platform.	Swiss RE	Strategic		--
Dec-23	 Betterview		Property intelligence and risk management platform.	Nearmap	Strategic		--
Nov-23	 embrace		Pet insurance provider.	JAB Holding Co.	Strategic		\$1,500
Nov-23	 AMWINS		Specialty insurance distribution platform.	Dragoneer, Genstar, SkyKnight	PE		--
Nov-23	 CORVUS		Technology-driven cyber insurance MGU.	Travelers	Strategic		\$435
Nov-23	 HealthComp		Tech-enabled third-party health plan administrator.	Virgin Pulse	Strategic		\$3,000
Oct-23	 BIMA		Digital healthcare services and health insurance provider.	CapitalSG	PE		--
Oct-23	 bamboo		Tech-enabled P&C insurance MGA.	White Mountains	Strategic		\$407

Sources: PitchBook, S&P Capital IQ, Mergermarket.com, other publicly available company filings, and industry news reports.
Note: Deals are listed chronologically based on transaction announcement.

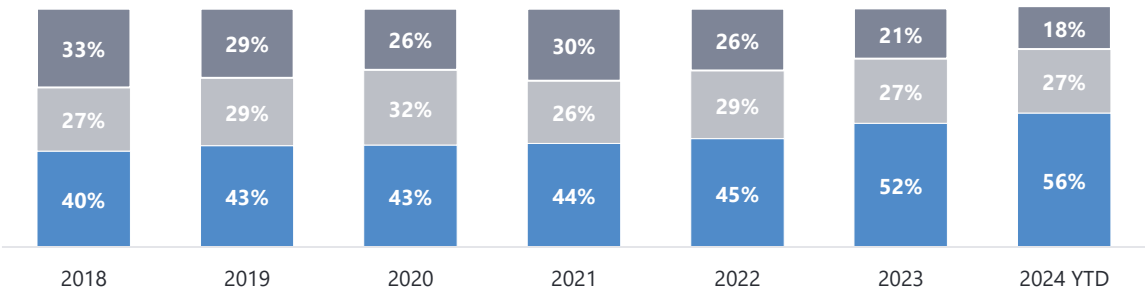
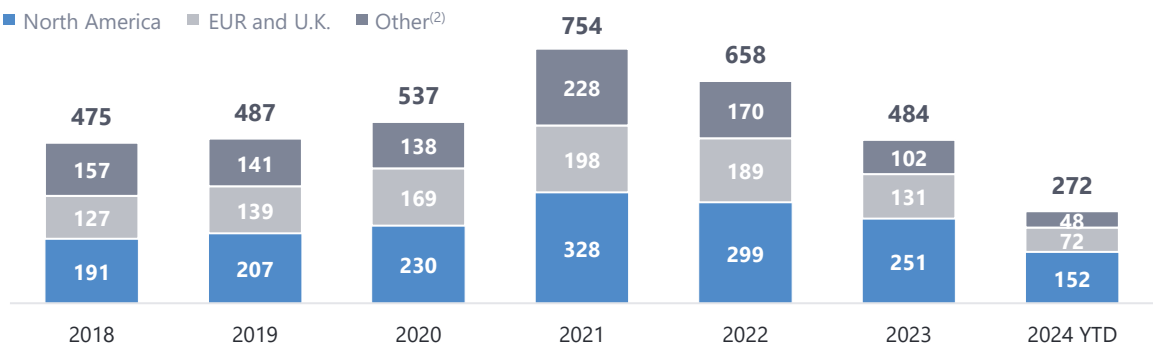
InsurTech Growth and Venture Capital

Funding continues but sinks below pre-COVID deal volumes.

Growth and Venture Capital Deal Count and Contribution by Type



Growth and Venture Capital Deal Count and Contribution by Target Region⁽¹⁾



Source: PitchBook (latest insurtech reporting as of September 30, 2024).
Notes: Completed deals only. Data is non-exhaustive but highly representative of market trends.

(1) Excludes Accelerator/Incubator and Grant Deals.
(2) Other includes Central America, South America, Asia, Africa, the Middle East, and Oceania.

Selected YTD InsurTech Financing Activity (Sep-24 LTM)

Market shift to smaller deals with more structure and/or lighter valuation.

Date	Target	Target Country	Target Description	Lead Investor(s)	Investor Country	Amount. (\$M)	Post Val. (\$M)
Sep-24	VERVE		Data and analytics-driven auto insurance MGA.	Bishop Street Underwriters		--	--
Sep-24	Gladly		AI-powered customer service platform for the insurance industry.	Axa Venture Partners		\$40	--
Sep-24	geolava		AI-driven real-time property insights platform.	Nvidia Inception, Plug and Play		--	--
Sep-24	arqu		Tech-enabled wholesale insurance brokerage platform.	Crosslink Capital		\$10	\$39
Sep-24	tuio		Digital MGA offering home, life, and pet insurance.	MassMutual Ventures		\$17	--
Sep-24	Functional Finance		Financial management automation platform for the insurance industry.	Walkabout Ventures		\$20	--
Sep-24	Ledgebrook		Tech-enabled excess and surplus MGA.	Duquesne Family Office		\$17	\$295
Sep-24	Roots Automation		AI-powered process automation platform for the insurance industry.	Harbert Growth Partners		\$22	--
Sep-24	AKUR8		Machine learning-powered insurance pricing and reserving platform.	OnePeak Partners		\$120	--
Sep-24	SIGO SEGUROS		Car insurance provider targeting Spanish immigrant and working-class communities.	Varco Capital, Listen		\$11	--
Sep-24	THATCH		Personalized health benefits platform for businesses.	Index Ventures, General Catalyst		\$38	\$135
Sep-24	DEMEX		Risk management platform designed to cover financial risks caused by extreme weather.	Congruent Ventures		\$10	\$31
Aug-24	Companion Protect		B2B2C pet insurance and wellness program administrator.	Avanta Ventures, Liberty Mutual		\$20	--
Aug-24	Nayya		Personalized digital benefits guidance for employees.	Workday Ventures		--	--
Aug-24	walnut		Infrastructure provider for embedded insurance.	NAVentures		\$5	--
Aug-24	chaiz		Online marketplace for extended car warranties.	ResilienceVC		\$4	\$14
Aug-24	AutoComplete		AI-driven MGA for auto and home insurance.	Bain Capital Ventures		--	--
Jul-24	boost		Turnkey insurance infrastructure platform for MGAs and insurtechs.	BHMS Investments		--	--
Jul-24	GRADIENT AI		Predictive analytics and AI-driven underwriting solutions for group health and P&C insurers.	Centana Growth Partners		\$56	\$240
Jul-24	Faye		Travel platform offering travel insurance, real-time trip alerts, and payments solutions.	Portage		\$31	\$120
Jul-24	cowbell		Technology-driven MGA specializing in cyber insurance for SMEs.	Zurich Insurance		\$60	\$420
Jul-24	DISTRICT COVER		Data-driven small business insurance broker.	Mosaic General Partnership		\$7	\$15
Jul-24	Healthpilot		Digital platform leverages data to match enrollees with the best Medicare plan options.	Humana		--	--
Jul-24	Juno		Digital distributor of child disability insurance.	Spero Ventures		\$8.50	--
Jun-24	Supercede		Digital platform offers tools to help brokers and reinsurers share data and structure deals.	Alven Capital Partners		\$15	--
Jun-24	sidecar health		Healthcare platform designed to make healthcare affordable and transparent for consumers.	Koch Disruptive Technologies		\$165	\$650
Jun-24	Peak3		Modular core insurance system for life, health, and P&C insurance.	EQT		\$35	--
Jun-24	INDICO DATA		AI-driven process automation platform enhances data quality for the P&C insurance industry.	Guidewire		\$19	--
Jun-24	CLIMATE X		Climate risk data and analytics platform predicts the impacts of extreme weather events.	GV		\$18	--

Sources: PitchBook, S&P Capital IQ, Mergermarket.com, other publicly available company filings, and industry news reports.

Note: Deals are listed chronologically based on transaction announcement.



Selected YTD InsurTech Financing Activity (Sep-24 LTM) (cont.)

Market shift to smaller deals with more structure and/or lighter valuation.

Date	Target	Target Country	Target Description	Lead Investor(s)	Investor Country	Amount. (\$M)	Post Val. (\$M)
May-24	Vitesse		Treasury and payment solutions provider for the insurance industry.	KKR		\$93	--
May-24	covertree		Digital distribution, automated underwriting, and data-driven pricing for specialty insurance.	Arboretum Ventures, Portage		\$13	\$55
May-24	Authentic		Infrastructure provider for companies looking to roll out captive insurance.	FirstMark Capital		\$11	--
May-24	Cover Whale		MGA specializing in connected insurance for commercial auto.	Morgan Stanley		\$28	--
May-24	COVER GENIUS		Insurance distribution platform offering embedded protection for customers of online companies.	Spark Capital		\$80	--
May-24	Chapter		Medicare navigation platform designed to help seniors find the best healthcare options.	XYZ		\$50	\$525
May-24	honeycomb		MGA offering insurance for landlords, apartment buildings, and COA/HOA associations.	Zeev Ventures		\$36	\$130
May-24	nexben		Health insurance benefits platform powering payments and benefits administration.	Claritas, Ensemble Innovation		\$24	--
Apr-24	Arbol		Climate risk assessment platform offering underwriting and brokerage services.	Giant Ventures, Opera Tech		\$60	\$305
Apr-24	clearcover		Online car insurance carrier.	American Family Ventures		\$55	--
Apr-24	honey		Home insurance digital distribution company.	Gallatin Point Capital		\$108	--
Apr-24	Novidea		Insurance management platform offering real-time business intel and workflow management.	HarbourVest Partners		\$30	--
Apr-24	Sixfold		GenAI powered end-to-end risk analysis solution for underwriters	Salesforce Ventures		\$30	--
Mar-24	Oka		Carbon credit insurance provider.	Aquiline		\$10	\$65
Feb-24	CLARA		AI-driven claims intelligence platform.	Nationwide Ventures		--	--
Feb-24	Mitiga		Climate risk intelligence platform serving insurance, reinsurance, and other sectors.	lope Ventures, Telefonica		\$1	--
Jan-24	kin.		Digital D2C home insurance provider.	Activate Capital		\$15	\$1,000
Jan-24	hyperexponential		Insurance pricing decision intelligence software.	Battery Ventures		\$73	--
Dec-23	igloo		Insurance distribution and claims management services.	BNP Paribas		\$36	--
Dec-23	DevotedHealth		Integrated healthcare solution offering access to Medicare plans and virtual and in-home care.	Fearless Vantures		\$175	--
Nov-23	NEXT		Digital small business insurer.	Allstate, AllianzX		\$265	\$2,500
Nov-23	layr		Cloud-based platform designed to modernize small commercial insurance policyholder experiences.	Cota Capital		\$10	\$49
Nov-23	policybazaar		Multi-line insurance price comparison platform.	PB FinTech		\$42	--
Oct-23	Matic		Digital marketplace for home and auto insurance.	Cultivation Capital, IA Capital		\$20	--
Oct-23	iink		Property insurance claims payments platform.	Headline		\$12	\$52
Oct-23	agentsync		Insurance infrastructure platform that connects carriers, agencies, MGAs, and producers.	Valor Equity Partners		\$50	--
Oct-23	NIRVANA		Commercial insurance platform helps fleets improve safety and reduce costs.	Lightspeed Management Co.		\$57	\$387
Oct-23	reserv		AI-driven P&C insurance claims processing platform.	Bain Ventures, Altai Ventures		\$20	--
Oct-23	QuoteWell		Tech-enabled commercial insurance wholesale brokerage.	New Enterprise Associates		\$15	--
Oct-23	InsuranceDekho		Multi-line insurance price comparison platform.	Eurazeo, Mitsubishi		\$60	\$600

Sources: PitchBook, S&P Capital IQ, Mergermarket.com, other publicly available company filings, and industry news reports.

Note: Deals are listed chronologically based on transaction announcement.

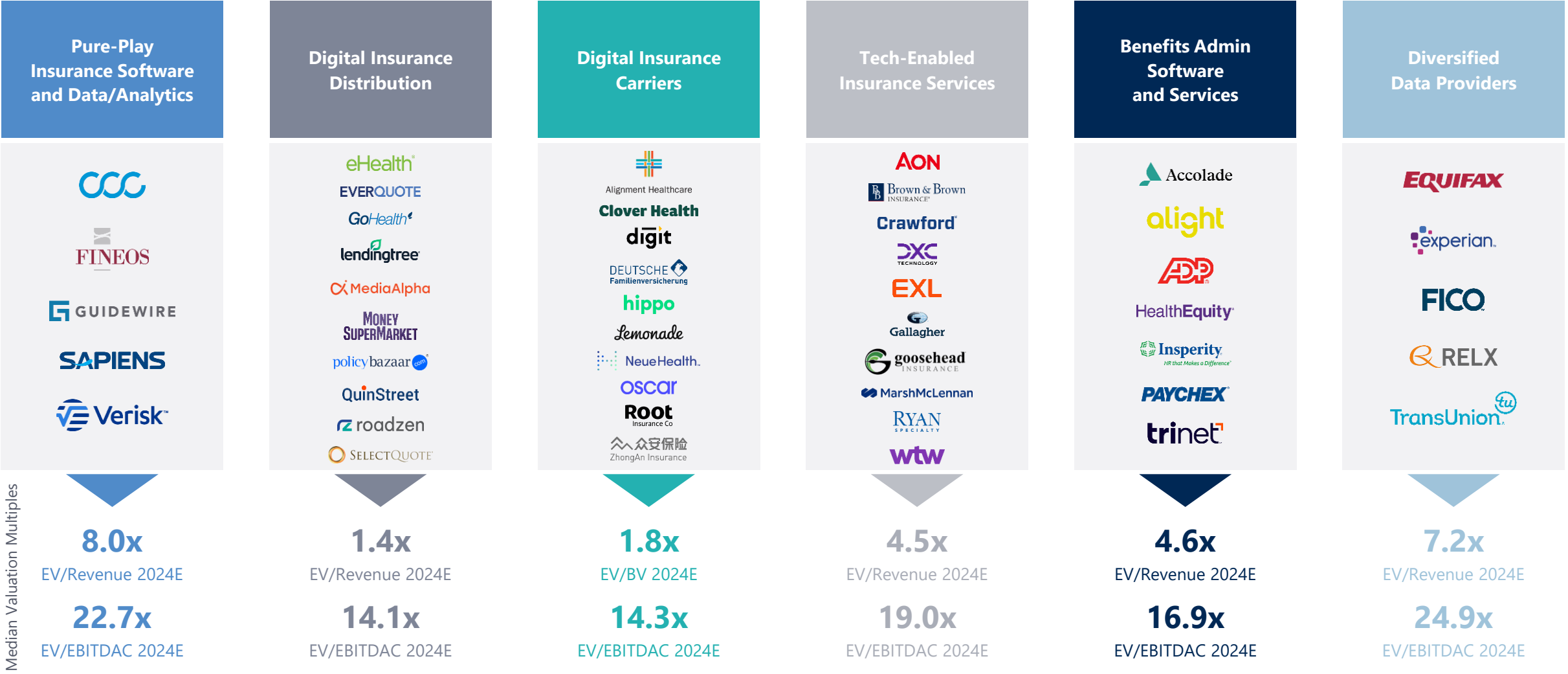


InsurTech Market Activity Update: Public Company Performance

05

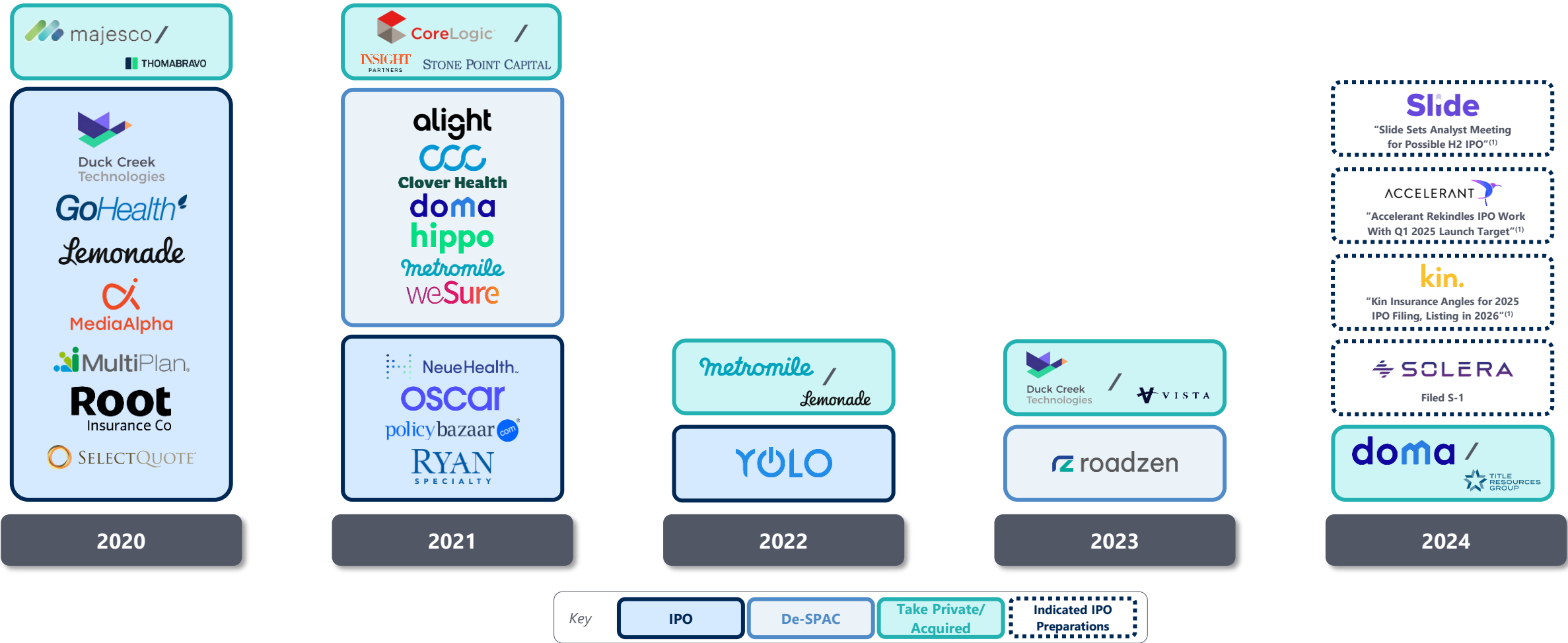
Overview of Current Valuation Levels for InsurTech

Public Company Trading



Significant Ongoing InsurTech Activity Into and Out of the Public Markets; Several Potential Entrants Ramping Up Prep Work

Selected InsurTech IPOs, de-SPACs, and Take-Private Deals Since 2020

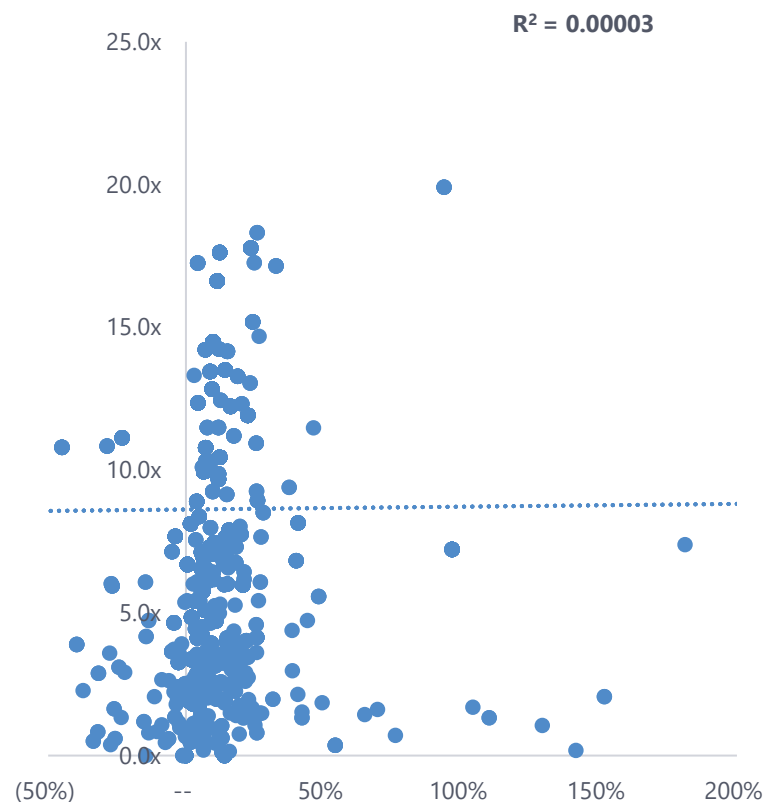




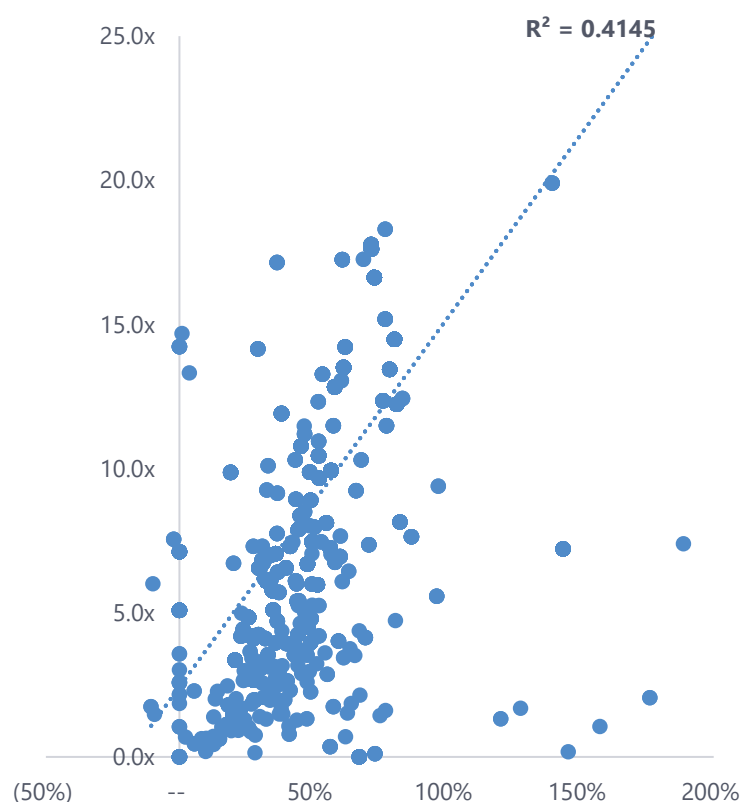
Regression Analysis Indicates That Investors Are Weighing Profitability More Heavily Than Growth for All Public FinTechs

While the "Rule of" metric (revenue growth plus EBITDA margin) positively correlates with revenue multiple, it is less predictive than EBITDA margin alone.

Revenue Growth vs. Revenue Multiple



"Rule of" vs. Revenue Multiple



EBITDA MARGIN vs. Revenue Multiple



Sources: Trading multiples based on share price, other market data, and broker consensus future earnings estimates from S&P Capital IQ as of September 30, 2024.

Note: FinTech regressions shown are market-cap weighted. Includes insurtech public companies as well as broader universe of FinTech public companies.

InsurTech Public Company Stock Performance Summary

Significant variability of performance by InsurTech subsector.

Indexed Share Price Performance Since January 2022



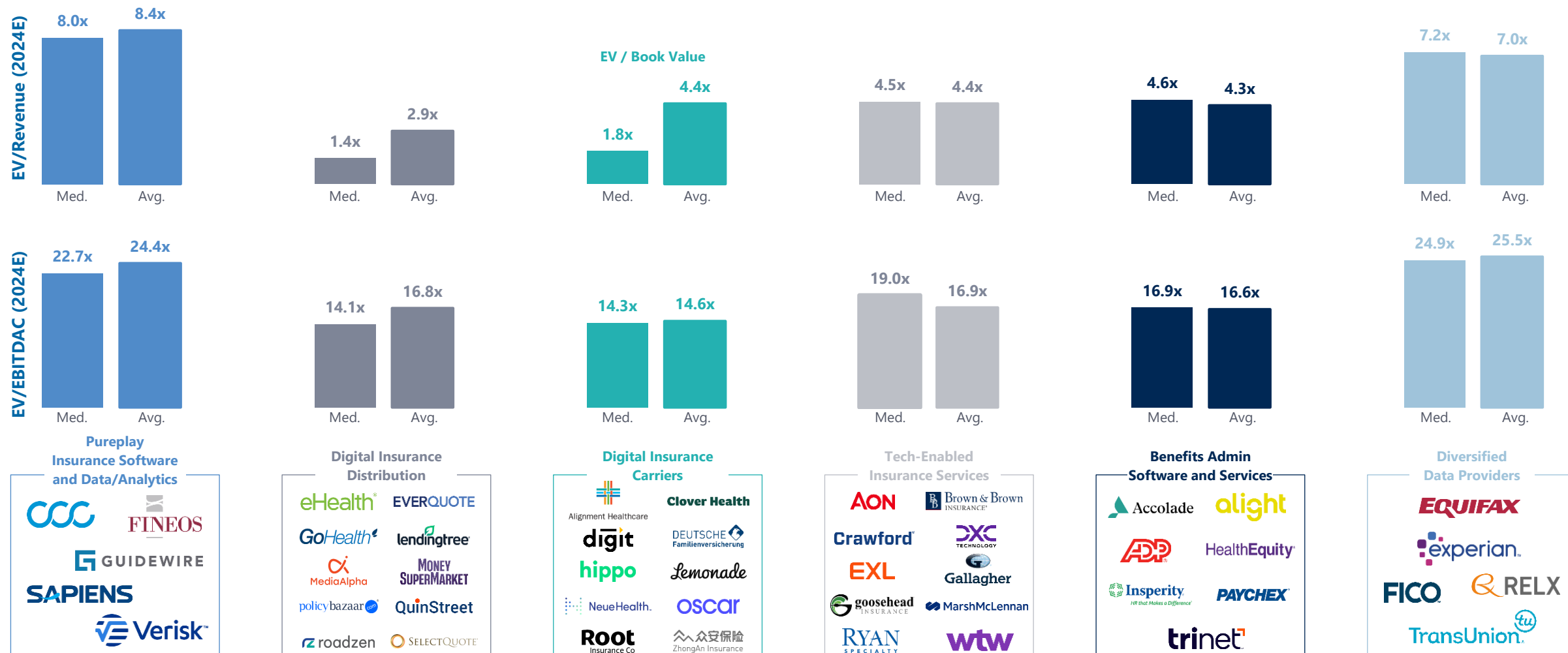
Index	Since Jan. '22	Since Jan. '23	Since Jan. '24
Diversified Data Providers	78%	119%	49%
Tech-Enabled Insurance Services/Outsourcing	26%	41%	20%
S&P 500	21%	50%	21%
Total InsurTech ⁽¹⁾	5%	58%	29%
Pure-Play Insurance Software and Data/Analytics	3%	75%	23%
Benefits Admin Software and Services	(6%)	10%	(3%)
Digital Insurance Distribution	(21%)	68%	40%
Digital Insurance Carriers	(24%)	81%	70%

(1) Total InsurTech Index includes all companies depicted across all segments of insurtech as shown at bottom of page. Individual company performance detail shown on pages 56 and 57.

Notes: Indices shown are equal-weighted with all share prices rebased to 100. Data derived from S&P Capital IQ as of September 30, 2024.

InsurTech Public Company Valuation Multiples

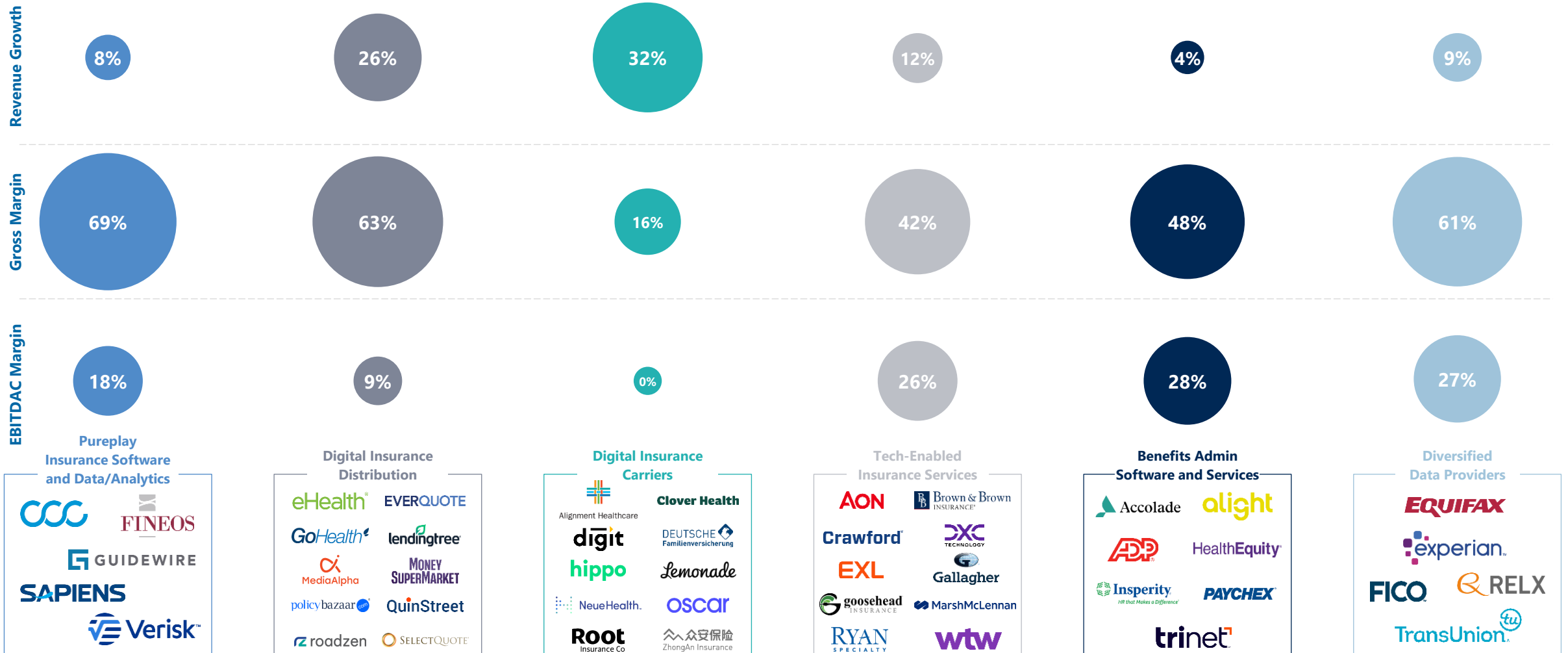
Valuation multiples vary widely by business model and underlying operating metrics.



Notes: Data derived from S&P Capital IQ as of September 30, 2024. "EBITDAC" is equal to EBITDA less capex.

InsurTech Public Company Operating Metrics

Underlying operating metrics (2024E medians) vary widely by business model and underlying operating metrics .



Notes: All figures shown are 2024E medians. Data derived from S&P Capital IQ as of September 30, 2024. "EBITDAC" is equal to EBITDA less capex.

InsurTech Public Companies: Valuation Multiple and Operating Metric Detail

All \$ USD in Millions

All \$ USD in Millions	Capitalization		Stock Performance		Valuation Metrics						Calendar Year 2024E Operating Metrics				
	Market	Enterprise	YTD	% of 52	EV/Revenue		EV/EBITDA		EV/(EBITDA: CapEx)		Revenue	Gross	EBITDA	EBITDAC	Rule
	Cap (\$M)	Value (\$M)	Return	Week High	CY 2024E	CY 2025E	CY 2024E	CY 2025E	CY 2024E	CY 2025E	Growth	Margin	Margin	Margin	of 40
Company Name	Cap (\$M)	Value (\$M)	Return	Week High	CY 2024E	CY 2025E	CY 2024E	CY 2025E	CY 2024E	CY 2025E	Growth	Margin	Margin	Margin	of 40
Pureplay Insurance Software and Data/Analytics															
Verisk	\$38,164	\$40,826	12%	93%	14.2x	13.2x	25.9x	24.0x	30.7x	28.3x	7%	69%	55%	46%	53%
Guidewire	\$15,189	\$15,084	68%	100%	14.2x	12.4x	n.a.	n.a.	n.a.	n.a.	15%	59%	14%	14%	29%
CCC Intelligent	\$6,889	\$7,527	(3%)	83%	8.0x	7.3x	19.1x	17.3x	22.7x	20.3x	9%	78%	42%	35%	44%
Sapiens	\$2,081	\$2,022	29%	90%	3.7x	3.4x	19.1x	17.4x	19.9x	18.3x	7%	46%	19%	18%	26%
Fineos	\$328	\$297	(25%)	61%	2.0x	1.9x	15.8x	11.2x	n.a.	n.a.	8%	74%	13%	(10%)	(2%)
Median			12%	90%	8.0x	7.3x	19.1x	17.3x	22.7x	20.3x	8%	69%	19%	18%	27%
Average			16%	86%	8.4x	7.6x	20.0x	17.5x	24.4x	22.3x	9%	65%	29%	21%	30%

Digital Insurance Distribution

PolicyBazaar	\$8,768	\$8,799	103%	82%	17.2x	13.2x	n.a.	n.a.	n.a.	n.a.	33%	55%	4%	1%	34%
MoneySuperMarket.com	\$1,520	\$1,586	(21%)	73%	2.6x	2.5x	8.4x	7.7x	9.3x	8.5x	9%	68%	31%	29%	38%
QuinStreet	\$1,074	\$1,034	49%	91%	1.3x	1.2x	23.9x	16.1x	26.6x	17.1x	42%	8%	6%	5%	47%
MediaAlpha	\$991	\$1,076	62%	70%	1.3x	1.1x	12.9x	10.3x	13.1x	10.4x	110%	17%	10%	10%	120%
LendingTree	\$774	\$1,268	91%	93%	1.5x	1.3x	14.1x	11.2x	16.1x	12.5x	27%	96%	11%	9%	36%
EverQuote	\$740	\$682	72%	75%	1.4x	1.2x	14.0x	11.7x	15.2x	12.6x	65%	96%	10%	9%	74%
SelectQuote	\$372	\$1,043	58%	49%	0.8x	0.7x	8.3x	8.7x	8.3x	8.7x	19%	45%	9%	9%	28%
eHealth	\$120	\$94	(53%)	43%	0.2x	0.2x	5.5x	4.7x	34.6x	15.3x	6%	100%	4%	1%	7%
GoHealth	\$94	\$700	(30%)	57%	1.0x	0.9x	9.1x	7.5x	11.3x	9.1x	(2%)	82%	11%	9%	6%
Roadzen	\$81	\$95	(77%)	17%	1.8x	0.9x	n.a.	n.a.	n.a.	n.a.	25%	58%	(16%)	(17%)	8%
Median			54%	72%	1.4x	1.1x	11.0x	9.5x	14.1x	11.4x	26%	63%	10%	9%	35%
Average			26%	65%	2.9x	2.3x	12.0x	9.7x	16.8x	11.8x	33%	62%	8%	7%	40%

Digital Insurance Carriers

					EV/Book Value										
Oscar Health	\$5,124	\$3,222	132%	89%	2.8x	n.a.	16.3x	7.8x	19.3x	8.7x	54%	21%	2%	2%	56%
Go Digit	\$4,124	\$4,166	n.a.	92%	10.1x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14%	n.a.	n.a.	n.a.
ZhongAn	\$3,102	\$4,896	(11%)	68%	1.8x	n.a.	n.a.	n.a.	n.a.	n.a.	13%	10%	n.a.	(1%)	12%
Alignment Healthcare	\$2,261	\$2,143	37%	96%	17.3x	n.a.	n.a.	n.a.	n.a.	n.a.	44%	11%	(0%)	(2%)	43%
Clover Health	\$1,403	\$1,152	196%	74%	3.5x	n.a.	25.3x	27.4x	25.3x	27.4x	(32%)	15%	3%	3%	(29%)
Lemonade	\$1,171	\$895	2%	67%	1.4x	n.a.	n.a.	n.a.	n.a.	n.a.	19%	29%	(30%)	(32%)	(13%)
Root	\$567	\$200	260%	44%	1.3x	n.a.	4.5x	3.5x	4.5x	3.5x	142%	26%	4%	4%	146%
Hippo	\$421	\$261	85%	66%	0.8x	n.a.	n.a.	n.a.	n.a.	n.a.	76%	20%	(14%)	(14%)	62%
DFV Deutsche	\$107	\$96	(1%)	82%	0.8x	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	8%	n.a.	n.a.	n.a.
NeueHealth	\$43	\$149	(32%)	31%	n.a.	n.a.	7.8x	4.3x	9.3x	4.7x	(13%)	16%	2%	2%	(12%)
Median			37%	71%	1.8x	n.a.	12.1x	6.1x	14.3x	6.7x	32%	16%	2%	0%	32%
Average			74%	71%	4.4x	n.a.	13.5x	10.8x	14.6x	11.1x	38%	17%	(5%)	(5%)	33%

Analysis based on data reported from S&P Capital IQ as of September 30, 2024.

Notes: Rule of 40 calculated as % Revenue Growth plus % (EBITDA—CapEx) Margin. "n.a." designates outlier multiple greater than 40.0x or negative figure. LTM figures are used if the 2024 estimate is not available.



InsurTech Public Companies: Valuation Multiple and Operating Metric Detail (cont.)

All \$ USD in Millions

All \$ USD in Millions	Capitalization		Stock Performance		Valuation Metrics						Calendar Year 2024E Operating Metrics				
Company Name	Market	Enterprise	YTD	% of 52	EV/Revenue		EV/EBITDA		EV/(EBITDA: CapEx)		Revenue	Gross	EBITDA	EBITDAC	Rule
	Cap (\$M)	Value (\$M)			Return	Week High	CY 2024E	CY 2025E	CY 2024E	CY 2025E					
Tech-Enabled Insurance Services															
Marsh McLennan	\$109,706	\$123,686	18%	96%	5.1x	4.8x	18.0x	16.9x	19.2x	18.0x	7%	44%	28%	27%	33%
Aon	\$75,164	\$92,938	19%	98%	5.9x	5.3x	18.3x	16.2x	19.2x	17.0x	17%	48%	32%	31%	48%
Arthur J. Gallagher	\$61,650	\$68,876	25%	93%	6.0x	5.4x	19.2x	17.0x	20.1x	17.8x	21%	44%	31%	30%	50%
Willis Towers Watson	\$29,911	\$34,735	22%	99%	3.5x	3.3x	13.0x	12.2x	13.9x	13.1x	5%	44%	27%	25%	30%
Brown & Brown	\$29,553	\$32,798	46%	98%	7.0x	6.5x	19.8x	18.7x	20.8x	19.7x	12%	48%	35%	34%	45%
Ryan Specialty	\$7,990	\$9,989	54%	96%	4.0x	3.4x	12.3x	10.1x	12.9x	10.4x	24%	37%	32%	31%	54%
EXL Service	\$6,158	\$6,458	24%	99%	3.5x	3.2x	16.5x	14.7x	18.9x	17.1x	12%	37%	22%	19%	30%
DXC Technology	\$3,752	\$7,530	(9%)	83%	0.6x	0.6x	3.9x	4.1x	4.3x	4.5x	(6%)	23%	15%	14%	7%
Goosehead	\$2,162	\$2,238	18%	94%	7.4x	5.9x	27.7x	21.0x	32.9x	28.3x	16%	41%	27%	23%	38%
Crawford & Co.	\$542	\$823	(15%)	82%	0.6x	0.6x	7.2x	6.2x	7.2x	6.2x	1%	29%	9%	9%	10%
Median			20%	96%	4.5x	4.1x	17.2x	15.5x	19.0x	17.1x	12%	42%	28%	26%	38%
Average			20%	94%	4.4x	3.9x	15.6x	13.7x	16.9x	15.2x	11%	39%	26%	24%	35%
Benefits Admin Software and Services															
ADP	\$112,858	\$113,743	19%	98%	5.8x	5.5x	20.0x	18.5x	20.8x	19.2x	6%	48%	29%	28%	34%
Paychex	\$48,274	\$47,690	13%	98%	8.9x	8.4x	19.7x	18.4x	21.1x	19.7x	4%	72%	45%	42%	46%
HealthEquity	\$7,148	\$7,978	23%	93%	6.8x	6.1x	16.8x	14.5x	16.9x	14.6x	18%	66%	40%	40%	58%
TriNet	\$4,817	\$5,745	(18%)	72%	4.6x	4.4x	11.1x	10.6x	12.9x	12.2x	(74%)	76%	41%	36%	(39%)
Alight	\$3,961	\$6,705	(13%)	71%	2.9x	2.8x	11.6x	10.7x	16.8x	13.7x	(32%)	36%	25%	17%	(15%)
Insperty	\$3,303	\$3,051	(25%)	74%	0.5x	0.4x	11.3x	10.7x	11.3x	10.7x	2%	16%	4%	4%	6%
Accolade	\$308	\$360	(68%)	25%	0.8x	0.7x	n.a.	13.0x	n.a.	14.5x	16%	47%	1%	1%	16%
Median			(13%)	74%	4.6x	4.4x	14.2x	13.0x	16.9x	14.5x	4%	48%	29%	28%	32%
Average			(10%)	76%	4.3x	4.0x	15.1x	13.8x	16.6x	15.0x	(9%)	52%	26%	24%	15%
Diversified Data Providers															
RELX	\$87,401	\$95,984	19%	95%	7.5x	7.1x	19.0x	17.9x	21.9x	20.6x	10%	65%	39%	34%	44%
Experian	\$48,151	\$52,273	29%	99%	7.1x	6.6x	20.1x	18.2x	27.0x	24.1x	6%	41%	35%	26%	32%
FICO	\$47,652	\$49,648	67%	99%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14%	79%	53%	52%	66%
Equifax	\$36,361	\$41,829	19%	95%	7.3x	6.5x	22.3x	18.4x	30.2x	23.4x	9%	57%	33%	24%	33%
TransUnion	\$20,343	\$25,252	52%	98%	6.1x	5.7x	17.2x	15.3x	22.8x	19.6x	8%	61%	36%	27%	35%
Median			29%	98%	7.2x	6.6x	19.5x	18.1x	24.9x	22.0x	9%	61%	36%	27%	36%
Average			37%	97%	7.0x	6.5x	19.6x	17.5x	25.5x	21.9x	9%	61%	39%	33%	42%

Analysis based on data reported from S&P Capital IQ as of September 30, 2024.

Notes: Rule of 40 calculated as % Revenue Growth plus % (EBITDA—CapEx) Margin. "n.a." designates outlier multiple greater than 40.0x or negative figure. LTM figures are used if the 2024 estimate is not available.

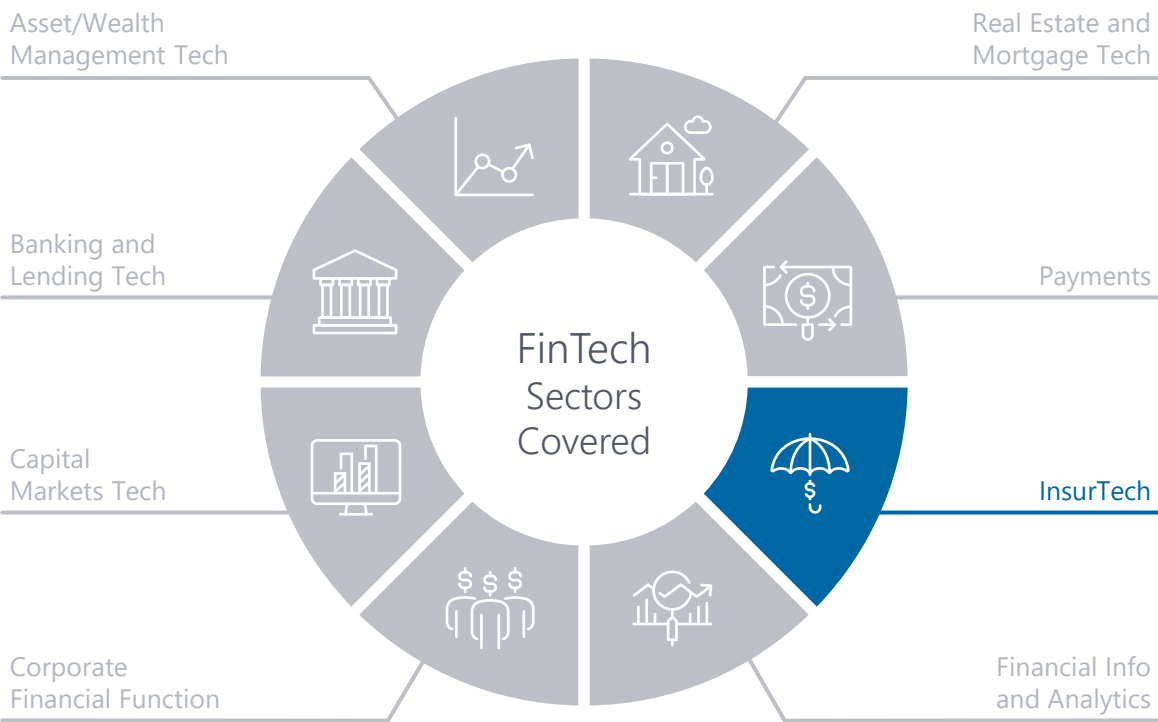


Appendix: Houlihan Lokey
Platform and FinTech
Practice Overview

06

Global, Market-Leading FinTech Practice

Houlihan Lokey’s newly dedicated FinTech Group has built on the firm’s leading technology and financial services coverage and advised on numerous prominent FinTech transactions across the United States and Europe. Our coverage is arranged around deep end-market expertise with dedicated senior-level bankers across every vertical of FinTech.



(1) Source: PitchBook Data, Inc.

Houlihan Lokey’s FinTech Practice



Global, Specialized FinTech Practice Within a Newly Dedicated Industry Group

150+ Total Technology Finance Professionals

65+ Dedicated FinTech/Financial Services Professionals

100+ FinTech Transactions Signed or Closed Since January 2021



Fully Integrated Team Across the World

Based in New York and London With Additional Bankers in Frankfurt, Atlanta, Los Angeles, and San Francisco

22 Countries Represented by Parties in FinTech Transactions Since 2021



Focused FinTech Industry Coverage and Broad Product Capabilities

Financial Technology

2023 M&A Advisory Rankings All Global Financial Technology Transactions⁽¹⁾

	Advisor	Deals
1	Houlihan Lokey	15
2	Goldman Sachs	11
3	Perella Weinberg	8
3	Raymond James	8
3	William Blair	8

Product Capabilities

- M&A Advisory (Sellside and Buy-side)
- Private Capital Markets (Equity and Debt)
- Board and Special Committee Advisory
- Fairness Opinions and Valuation Services
- Financial Restructuring and Special Situations



FinTech Industry Coverage



Leading Independent, Global Advisory Firm

Houlihan Lokey Is the Trusted Advisor to More Top Decision-Makers Than Any Other Independent Global Investment Bank

2,584

Global Employees

36

Locations Worldwide

\$10.9B

Market Cap⁽¹⁾

\$2.0B

Annual Revenue⁽²⁾

~25%

Employee-owned

No

Debt



CORPORATE FINANCE

2023 M&A Advisory Rankings
All Global Transactions

Advisor	Deals
1 Houlihan Lokey	352
2 Rothschild & Co	349
3 Goldman Sachs & Co	300
3 JP Morgan	300
5 Morgan Stanley	253

Source: LSEG (formerly Refinitiv).
Excludes accounting firms and brokers.

No. 1
Global M&A Advisor

Leading
Capital Markets Advisor Raising
More Than ~\$19 Billion in FY 2024

FINANCIAL AND VALUATION ADVISORY

1999–2023 Global M&A
Fairness Advisory Rankings

Advisor	Deals
1 Houlihan Lokey	1,247
2 JP Morgan	1,035
3 Duff & Phelps, A Kroll Business	977
4 UBS	884
5 Morgan Stanley	716

Source: LSEG (formerly Refinitiv).
Announced or completed transactions.

No. 1
Global M&A Fairness Opinion
Advisor Over the Past 25 Years

2,000+
Annual Valuation Engagements

FINANCIAL RESTRUCTURING

2023 Global Distressed Debt &
Bankruptcy Restructuring Rankings

Advisor	Deals
1 Houlihan Lokey	73
2 PJT Partners Inc	64
3 Rothschild & Co	51
4 Lazard	37
5 Evercore Partners	27

Source: LSEG (formerly Refinitiv).

No. 1
Global Restructuring Advisor

1,700+
Transactions Completed Valued at
More Than \$3.5 Trillion Collectively

FINANCIAL SPONSORS COVERAGE

2023 Most Active Investment Banks to
Private Equity – Globally

Advisor	Deals
1 Houlihan Lokey	217
2 Lincoln International	156
3 William Blair & Co	112
4 Lazard	96
5 Raymond James Financial	85

Source: PitchBook. Excludes accounting firms and brokers.

No. 1
Global Private Equity
M&A Advisor

1,300+
Sponsors Covered Globally

(1) As of September 30, 2024.
(2) LTM ended June 30, 2024.



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**INSURETECH
CONNECT**

InsureTech Connect

October 15–17, 2024
Las Vegas, Nevada

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**Houlihan
Lokey**

Global Technology Conference

October 23, 2024
Lotte New York Palace
New York, NY

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MORE INFORMATION](#)

**.MONEY
20/20**

Money20/20 USA

October 27–30, 2024
Las Vegas, Nevada

[Click to Connect](#)



**FinTech
CONNECT**

December 4–5, 2024
London, U.K.

[Click to Connect](#)



**Insurtech
Insights**

March 19–20, 2025
London, U.K.

[Click to Connect](#)

**.MONEY
20/20**

Money20/20 Europe

June 3–5, 2025
Amsterdam,
Netherlands

[Click to Connect](#)

Houlihan Lokey Global Tech Conference 2024

October 23 | Lotte New York Palace

What to Expect at the Event

- 01

Panel Discussions From CEOs at High-Growth Companies

A wide range of speakers will share their insights about navigating current market conditions and positioning their companies for future success across a variety of technology sectors.
- 02

Featured Speakers

The conference will feature high-profile speakers and candid panel discussions with distinguished tech thought leaders, discussing a variety of topical themes.
- 03

Targeted One-on-One Meetings

Houlihan Lokey will arrange targeted, one-on-one meetings for presenting companies over the course of the conference, advising on prospects, meeting structure, and materials and coordinating any follow-up.
- 04

Networking Opportunities

Join an audience of strategic, financial, and institutional investors as well as other capital providers for lunch and end-of-day cocktails.



- OCTOBER 22

Evening Pre-Conference VIP Reception
- OCTOBER 23

CONFERENCE
Panels and One-on-Ones

Previous Conference Highlights

70+

Participating Companies

600+

Conference Attendees

8 to 10

Targeted One-on-One Meetings per Presenting Company

18

Panel Discussions

We invite you to join us at Lotte New York Palace on October 23.

Request an Invite

Houlihan Lokey FinTech Market Reports

FinTech Market Update



Property InsurTech Market Update



Payments Market Update



Office of the CFO Software Market Updates



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