

Sector Insights

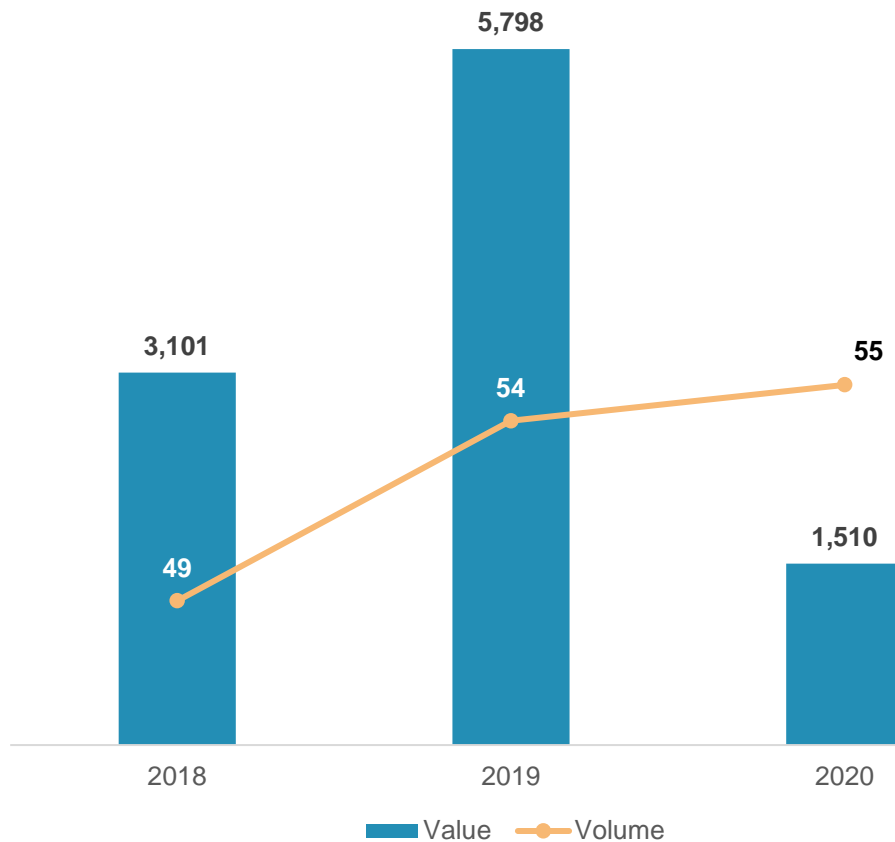
Shopping for Digital Capabilities: What's Driving M&A Activity in Global Insurance?



M&A activity in insurance ecosystem steadily increasing with acquisition of tech/digital capabilities; around 158 deals completed globally in last three years

Technology and Digital M&A Activity

2018–20



Over USD 10 Bn

has been spent by insurers to develop technical capabilities and build digital presence.

USD 3.5 Bn

was the largest deal completed by Prudential Financial to acquire Assurance IQ, operator of an online platform providing health and wellness solutions.

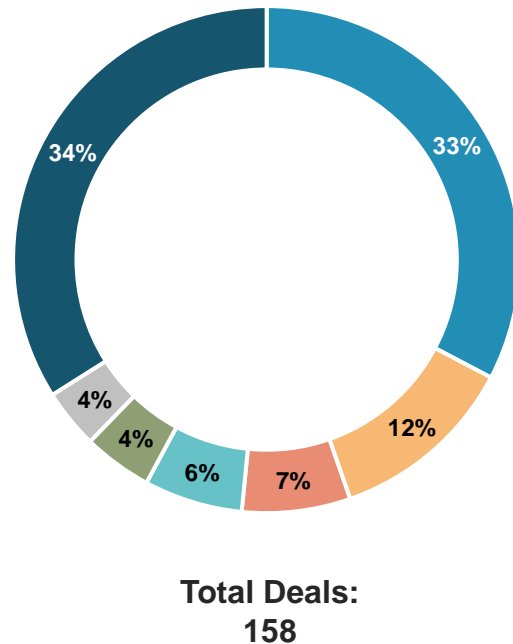
Source: Capital IQ, Aranca Analysis

Note: The deal value only includes the disclosed amount.

Almost one-third of tech- and digital-related deal activity focuses on developing InsurTech capabilities such as risk management, and data analytics solutions

Target Sectors and Offerings

2018–20



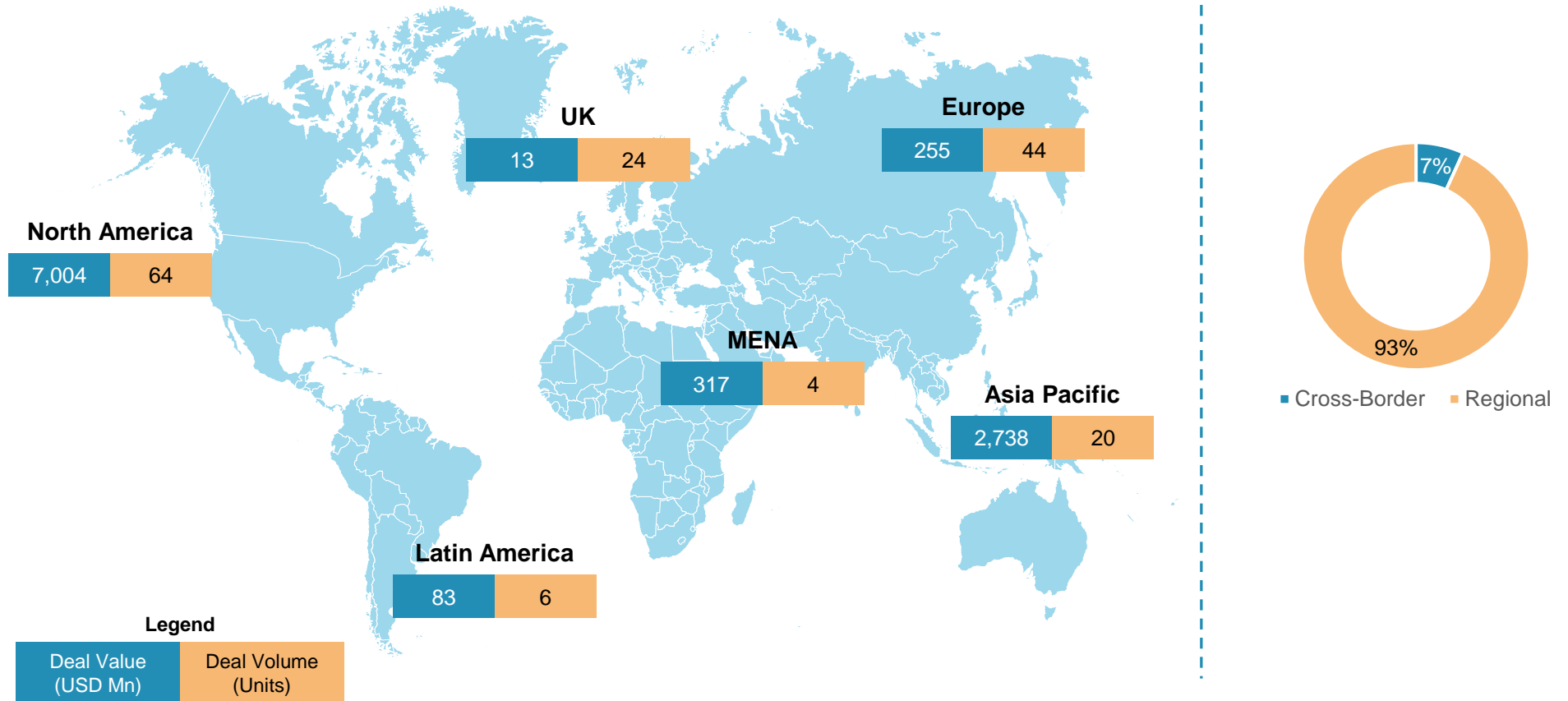
	Offerings	Key Targets
InsurTech	Online insurance services, risk management, analytics solutions to underwrite and process claims, and platforms to market and distribute insurance policies	TransGuardian, Claim Analytics Inc., Munich General Insurance Services, Codebase8, Juniper Labs
Financial Technology	Web-based accounting, asset management, banking, savings platform, loan origination, budgeting and other solutions for financial services industry	Finovation, AssetLock, EDISOFT, CuneXus Solutions, Compliance Systems, Technicost
Digital Marketing	Online reviews and media platform, digital marketplace for a range of products and services	Chasing Cars, Buildigo, MotorsportReg, Eucon, Sea Pine Technologies
HealthTech	Online health consultation platform, solutions focusing on digital health, medical record, and data analytics and sales solutions for healthcare and pharma industry	HealthLogix, Connexion Point, Technosens, CareNet
Online Brokerage	Online brokerage services, solutions, and digital platforms	Belyer Insurance, AssurOne Group, Insync Insurance, Quilt Insurance Agency
Digital Payment	Electronic bill payment solution, credit card, mobile wallet solution, POS systems	Discovery Limited (Credit Card Business), Blue Label Telecoms, G&E Enterprises
Other Digital Solutions	Non-financial and non-insurance solutions including cloud management software, CRM, AI, document generation software verification, sales support, and online platforms for information sharing, data analytics, cyber security, HR management platform	IDX Optus, InfoArmor, Veriphy, Docutech, Fixt Technologies, PangoPay, akippa, Vethem, Faxi, OPERTUNES, WeGoLook, Cooper Solutions

Source: Capital IQ, Aranca Analysis

Tech and digital acquisition largely driven by regional deals; North America, Europe account for over 80% of deal volume

Target Geography

2018–20



Source: Capital IQ, Aranca Analysis

Note: Regional analysis is based on analysis of deals involving complete acquisition of the target firms.

While large companies focus on building online sales channel, smaller firms target players providing services such as data security, online brokerage

Acquiring Firms

2018–20 | Deal Value in USD Mn

Revenues	Targeted Offerings	Median % Sought	Key Targets	Deal Value
>USD 50 Bn	Digital wallet, online marketplace, digital media platforms, and other diversified software solutions	~85%	Adiquit, Wonders Information, CoverWallet, Assurance	USD 3,783 Mn
USD 25–50 Bn	Online brokerage services, data security, and cloud management solutions	~100%	PSS, Finovation, Zensurance, Insurmatch, Plumchoice	USD 566 Mn
USD 10–25 Bn	Digital wallet, insurance marketplace, online insurance services, data center, and HRTech	~35%	ITIS, Data4 Group, LeaveLogic, KRG Corp., Vive la Car	USD 946 Mn
USD 5–10 Bn	Online customer acquisition and e-commerce platform, claim management, data security and other solutions such as online cleaning services and fitness programs	~100%	Salus Systems, Docutech, Bubble Box, Fixt Technologies, Claim Analytics Inc.	USD 1,685 Mn
<USD 5 Bn	Digital platforms to underwrite insurance products, online brokerage services, digital card, insurance marketplace, and CRM and HRTech solutions	~90%	Easy Broking, Comparadise Groupe, Unbox Technologies, BizCover, Technicost, My1HR	USD 199 Mn



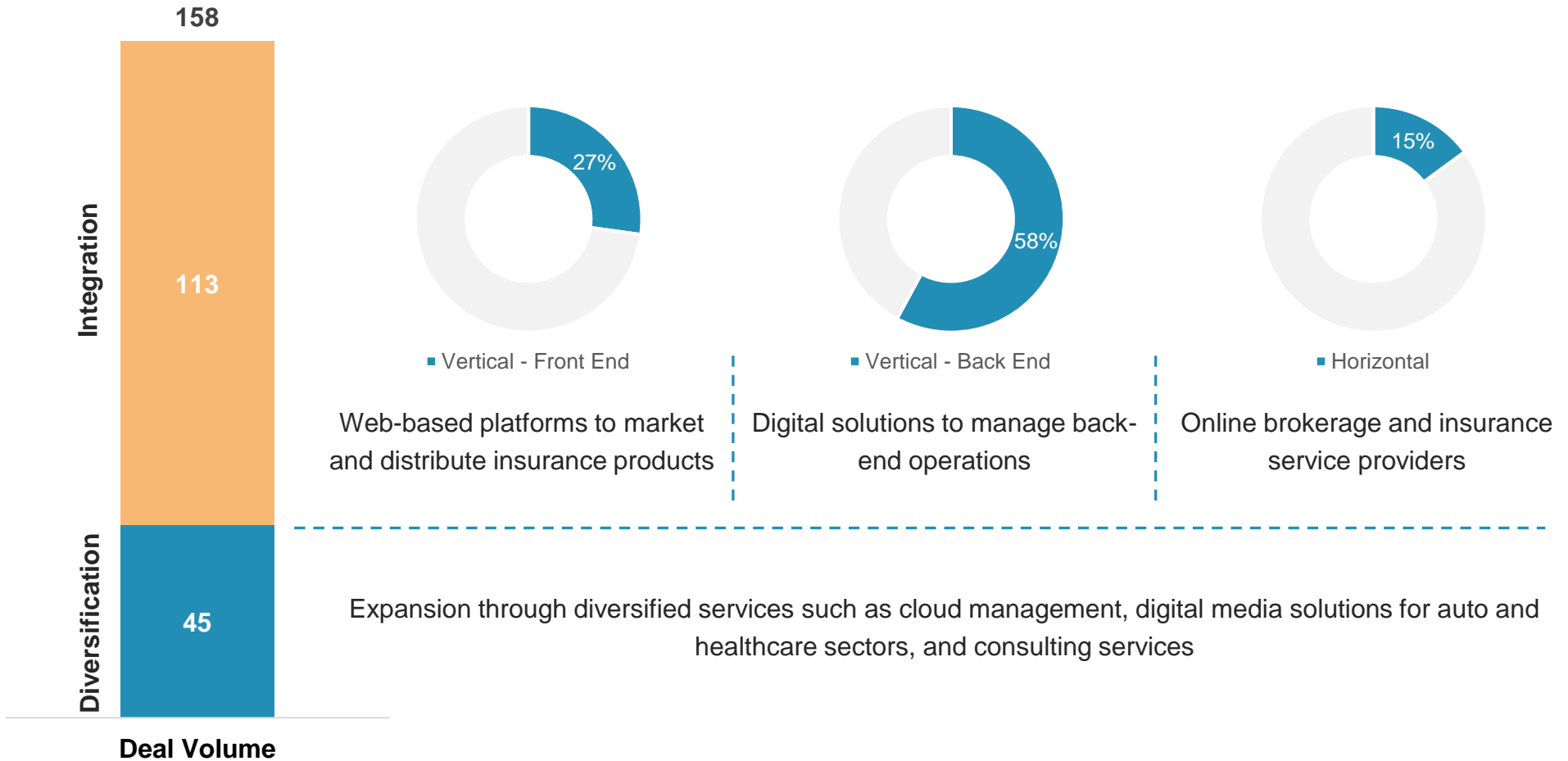
Source: Capital IQ, Aranca Analysis

Note: Only includes acquirers for which financial information is available.

Deal activity primarily driven by insurers integrating tech and digital solutions to market products, streamline back-end operations (1/2)

Deal Strategy

2018–20



Source: Capital IQ, Aranca Analysis

Note: Similar trends are seen across individual regions.

Deal activity primarily driven by insurers integrating tech and digital solutions to market products, streamline back-end operations (2/2)

Deal Strategy – Integration and Diversification

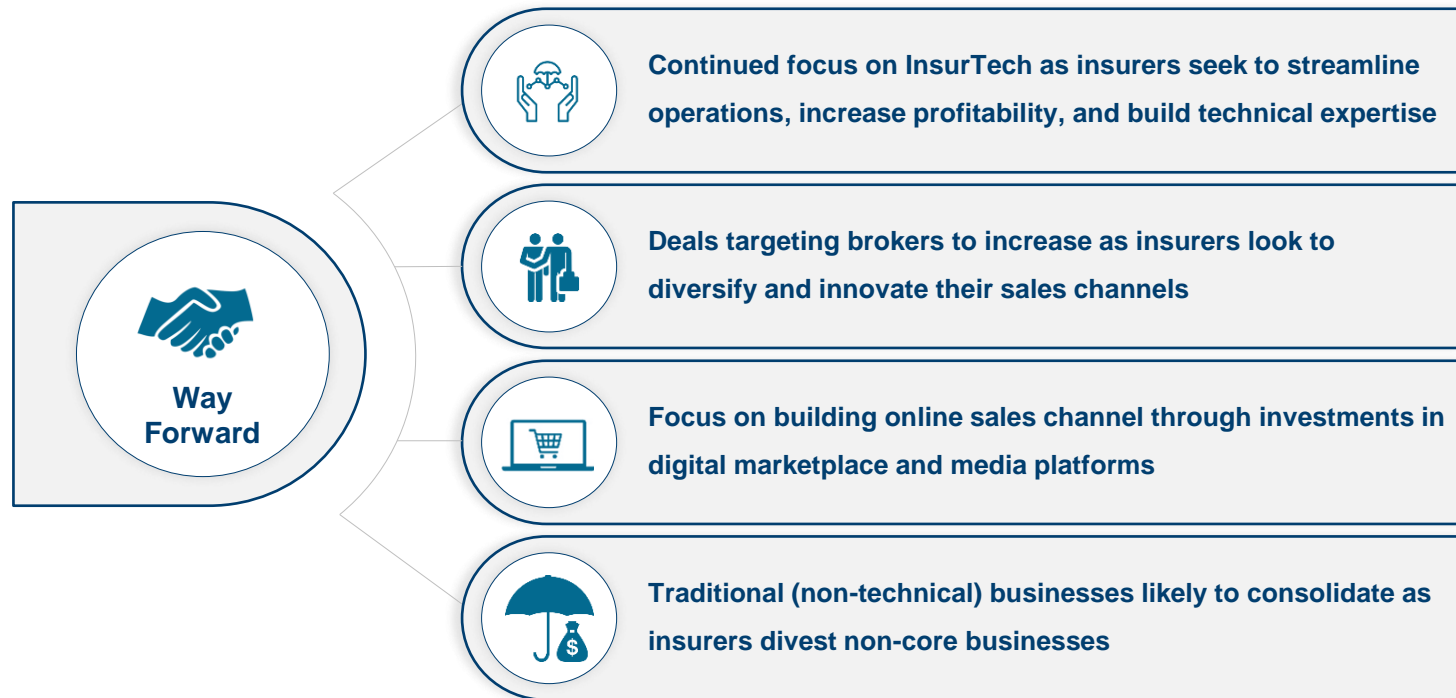
2018–20

Buyer	Target	Target Offering	Acquisition Rationale
Arthur J. Gallagher & Co.	Direct to PolicyHolder, Inc.	Insurance e-commerce platform	Vertical integration – Front end
Prudential Financial	Assurance IQ, Inc.	Platform for health and financial needs	Vertical integration – Front end
Zurich Insurance Group AG	HealthLogix	Digital health services	Vertical integration – Front end
Crawford & Company	WeGoLook	On-demand inspection, verification, and other field services	Vertical integration – Back end
Unum Group	LeaveLogic	Platform to manage leave process	Vertical integration – Back end
PartnerRE	Claim Analytics Inc	Predictive analytics solutions for insurance sector	Vertical integration – Back end
MetLife	Bequest, Inc.	Online service to create legal documents	Vertical integration – Back end
ICICI Lombard General Insurance Company	Unbox Technologies Private Limited	CRM software	Vertical integration – Back end
The Travelers Companies	INSURAMATCH	Online insurance agency	Horizontal integration
Wentworth Financial Partners LLC	Independent Planners Group, LLC	Online insurance sales agency	Horizontal integration
Totten Insurance Group Inc.	Belyer Insurance Limited	Online insurance sales agency	Horizontal integration
Vienna Insurance Group	Vive la Car GmbH	Online platform to sell automobiles	Diversification
Singapore Life Pte. Ltd.	Canvas	Prepaid Visa card brand	Diversification
Assurant	Fixt Technologies	On-demand mobile change and repair services	Diversification
HealthAssure	Pasta Lifestyle Solution	Online portal to book gyms and fitness studios	Diversification

Source: Capital IQ, Aranca Analysis

Note: Includes only a sample of the deals completed by the insurers

Strengthening of InsurTech capabilities, leveraging of digital platforms to diversify sales channels expected to remain focus areas while firms evaluate M&A opportunities in 2021



*“In 2021, insurers will target acquisitions of InsurTech startups as a means of accessing novel technology platforms and new distribution channels; InsurTech startups will be willing to consider being acquired by or partnering with large incumbents after having experienced the uncertainties of the pandemic and due to the need to allow for exits by early investors.” – **Global Law Firm***

*“Opportunities in InsurTech continue to present attractive investment and acquisition targets for large insurance companies, particularly for those without the technological expertise or agility to develop their own digital platforms.” – **Global Consulting Firm***

Transaction multiples

Date	Target	Buyer	% Sought	Transaction Value (USD Mn)	Enterprise Value (USD Mn)	EV/ Revenue	EV/ EBITDA
09-05-2019	Assurance IQ, Inc.	Prudential Financial, Inc.	100%	3,500	3,500	-	-
04-29-2018	Du Xiaoman Financial	Taikang Insurance Group Inc	58%	1,900	-	-	-
03-31-2019	MG LLC	Willis Towers Watson	100%	1,335	1,335	5.1	-
12-11-2019	Innovative Aftermarket Systems, L.P.	iA Financial Corporation	100%	720	720	-	-
12-10-2020	Wonders Information	Hexie Health Insurance	16%	580	3,986	12.4	-
08-27-2018	InfoArmor, Inc.	The Allstate Corporation	100%	525	525	-	-
02-13-2020	Docutech LLC	First American Financial	100%	350	350	-	-
09-04-2018	Relayr, Inc.	HSB Group, Inc.	85%	252	298	-	-
05-12-2020	DATA4 Group	PFA Pension	20%	217	1,087	-	-
11-09-2020	Pango Pay and Go Ltd.	Harel Insurance Company Ltd	44%	163	371	-	-
01-22-2018	Maestro Health	AXA SA	100%	155	155	-	-
06-23-2019	Wonders Information	China Life Insurance Company Limited	5%	116	2,676	8.1	45.5
02-17-2020	BizCover Pty Ltd.	AUB Group Limited	40%	91	227	-	-
04-29-2019	Web Benefits Design Corporation	CNO Financial Group,	100%	67	67	-	-
03-05-2020	InsideResponse LLC	SelectQuote, Inc.	100%	65	65	-	-
05-03-2018	Inworx S.A de CV	Charles Taylor InsureTech Limited	100%	51	51	3.4	-
10-30-2019	Software and Assets of Unbox Technologies Private Limited	ICICI Lombard General	100%	32	32	-	-
11-08-2018	PlumChoice, Inc.	The Allstate Corporation	100%	30	30	-	-
05-08-2019	Interfronting Corretora e Consultoria de Seguros Ltda.	Wiz Soluções e Corretagem de Seguros	40%	29	73	-	-
06-05-2020	Wealthify Group Limited	Aviva Group Holdings	40%	13	32	-	-
01-29-2018	Azimut SAS	CNP Assurances SA	70%	12	17	-	-
08-22-2018	PSS Co., Ltd.	Cathay Life Insurance	16%	11	71	-	-
02-17-2020	6sicuro S.p.A.	Assiteca S.p.A. (BIT	79%	10	13	-	-
12-08-2020	Usio Output Solutions	PacificDental Benefits	100%	6	6	-	-
10-26-2018	Money EX Plataforma Tecnologia S.A.	Wiz Soluções e Corretagem de Seguros	5%	3	68	-	-
06-13-2019	Kyobo Information & Communication	Kyobo Life Insurance Co., Ltd.	10%	0.8	8	-	-
06-25-2018	Easy Broking Online Ltd	PSC Insurance Group Limited	77%	0.8	1.0	-	-
11-02-2020	WeGoLook, LLC	Crawford & Company	15%	0.3	2.1	-	-
05-12-2020	Pasta Lifestyle Solution	HealthAssure Private Limited	100%	0.1	0.1	-	-

Source: Capital IQ, Aranca Analysis

Note: An indicative list of transactions for which financial information is reported.



About Aranca

500+

strong team of professionals
across multi-disciplinary domains

2,500+

global clients

120+

sectors and sub-sectors
researched by our analysts

80+

countries where we have delivered
projects

Aranca is a trusted research and advisory partner to global companies, from the hottest start-ups to the Fortune 500.

PRACTICE AREAS



Business Research & Advisory

CXOs in Strategy, SBUs, Sales, Marketing, CI/MI, Innovation



Technology | IP Research & Advisory

R&D, Tech Scouting, Open Innovation, IP Teams, Product Development



Valuation & Financial Advisory

CFOs in Start-ups, PE/VC Firms, Corporate M&A Teams, Mid-market Companies



Investment Research & Analytics

Brokerage, Hedge Funds, IRPs, I-Banks, AMCs, Investor Relations

Connect with our subject matter experts for further assistance

Senior Team

Engagement Manager



Ashwin Ramakrishnan

AVP, Financial Services
Business Research & Advisory

+91.22.3937 9999 (Extn: 220)

Ashwin.ramakrishnan@aranca.com



Siddharth Jaiswal

Senior Manager, Financial Services
Business Research & Advisory

+91.22.3937 9999 (Extn: 234)

Siddharth.jaiswal@aranca.com



Mohak Marwah

Manager, Financial Services
Business Research & Advisory

+91.22.3937 9999 (Extn: 382)

Mohak.marwah@aranca.com

For additional details, please contact:



www.aranca.com



<https://www.linkedin.com/company/aranca>



BUSINESS RESEARCH
& ADVISORY



TECHNOLOGY INTELLIGENCE &
IP RESEARCH



VALUATION
ADVISORY



INVESTMENT RESEARCH
& ANALYTICS



PROCUREMENT & SUPPLY
CHAIN INTELLIGENCE

This material is Aranca's exclusive property. No part of this presentation may be used, shared, modified and/or disseminated without permission. All rights are reserved.

About Aranca

Founded in 2003, Aranca is the preferred and trusted custom research partner to global companies. Aranca offers a range of research and consulting services with expertise in market research, competitor intelligence, market feasibility, buy side/sell side equity research, business valuation, technology research, and procurement research.

For additional details, please contact:

 : siddharth.jaiswal@aranca.com; ashwin.ramakrishnan@aranca.com

 : <https://www.linkedin.com/company/aranca>

 : www.aranca.com