

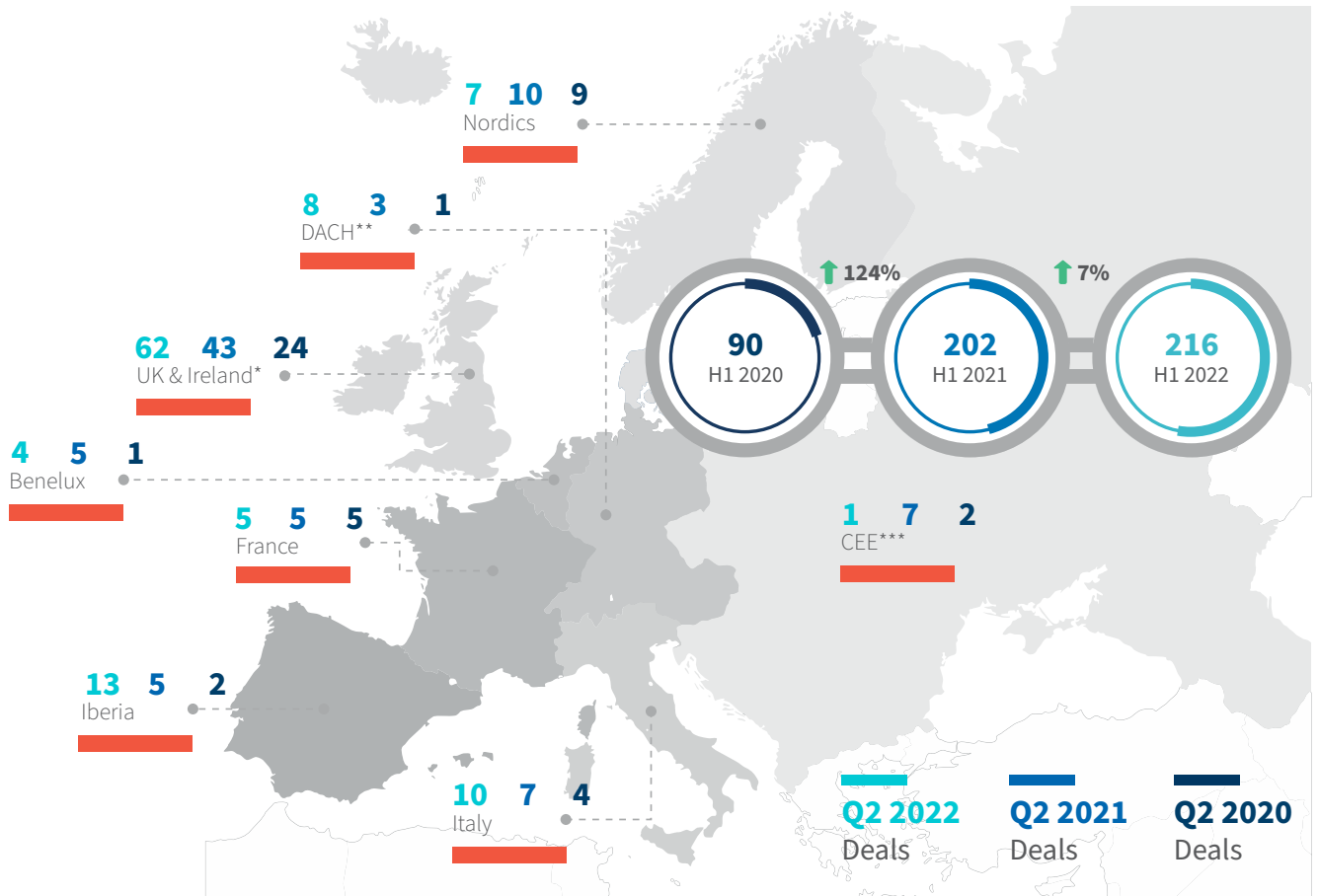
AN FTI CONSULTING REPORT – PUBLISHED Q3 2022

European Insurance M&A Barometer: Q2 2022 Update

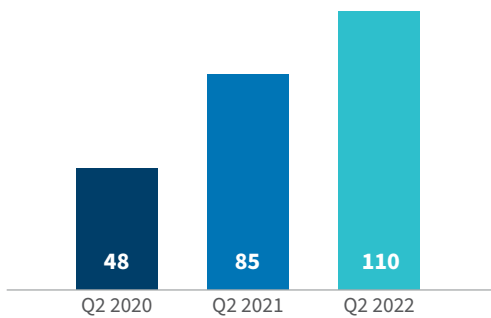


Executive summary

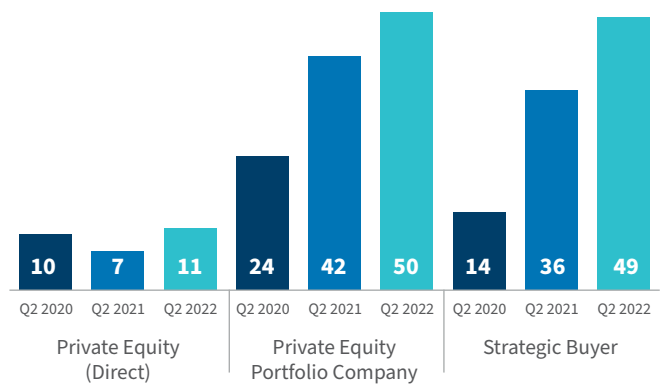
Total European Insurance M&A Deals by Market



Total European Insurance M&A Deals

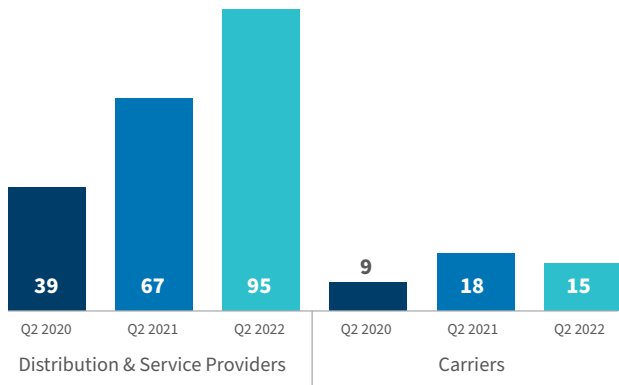


Total European Insurance M&A Deals by Acquirer Type

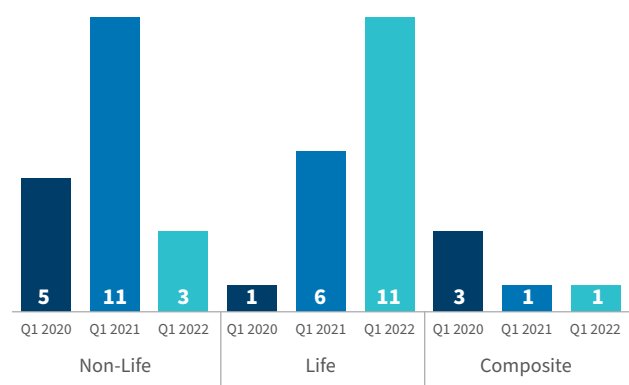


*Includes Bermuda insurance market
 **Includes Lichtenstein
 ***Includes Greece and excludes Russia

Total European Insurance M&A Deals by Business Type



Total European Insurance Carriers M&A Deals by Segment



This report reviews insurance deal activity across the European market during the second quarter of 2022, leveraging FTI Consulting’s recent research.

Deal volumes remained steady during Q2 2022 despite spiralling inflation and rising interest rates across Europe. Deal announcements totalled 110 in Q2 2022 across Europe: a slightly higher volume than the 106 announcements in Q1 2022, and well ahead of Q2 2021’s total of 85. Strategic buyers accounted for around half of the announced transactions across Europe this quarter.

When it came to insurance distribution and services deals, financial sponsors’ investment appetite persisted during this quarter, with 44 announced transactions where the bidder was a portfolio company backed by private equity (PE) and eight where the bidder was a PE fund acquiring directly. The majority of these deals related to add-on or platform acquisitions in the same lines of business as the bidders’ existing portfolio companies.

The roll-up consolidation play continued to dominate European transaction volumes for both pure strategic acquirers and PE-backed platforms, with the major broker consolidators announcing 41 transactions compared with 31 in Q2 2021. This group represented 37% of total announcements – about the same proportion as Q2 2021’s 36%. There was also a notable increase in life insurance carrier acquisition announcements, driven by bancassurance activity and legacy transactions across the continent.

Looking at the year to date, the combination of these factors has accelerated European insurance transaction volumes for H1 2022 to 216, 7% ahead of the 202 transactions observed in H1 2021.

The UK and Ireland continued to lead the European market for insurance industry M&A, fuelled by strong consolidation activity by intermediaries. However, there was also a notable uptick in acquisitions of insurance service and claims management providers this quarter, reflecting an appetite for capital-light businesses with recurring cash revenue streams. Iberia, Italy and the DACH region all experienced increases in M&A activity in this quarter, mostly explained by acquisitions of distribution businesses complementing the continued European expansion of international broker platforms. In Benelux and France, insurance M&A volumes remained steady, while a significant decrease in deal announcement activity across the Central and Eastern Europe (CEE) region probably reflected the geopolitical crisis.

Rising interest rates continue to present a potential headwind to the buyouts market as debt financing becomes more expensive amidst the looming recession threat. With ongoing inflation, the central banks are continuing to raise base rates to counter inflationary pressures. However, high levels of “dry powder” in the market, built up during the pandemic period from record fundraising rounds, continue to enable PE funds and PE-backed portfolio companies to deploy equity capital to suitable opportunities. As brokers and service providers continue to face competitive auction processes, valuation multiples remain at elevated levels, with Goldman Sachs reportedly paying 18x earnings before interest, taxes, depreciation and amortisation (EBITDA) for The Clear Group, and Howden announcing the purchase of global reinsurance broker TigerRisk for a reported 17–18x EBITDA.

With banks tightening lending risk appetite due to economic uncertainty and pressure on solvency requirements, PE funds and broker consolidators are increasingly looking towards direct lenders and private credit funds for alternative sources of debt financing to support M&A transactions. Despite macroeconomic headwinds, broker consolidator activity continues to be underpinned by the large spread between the target's purchase multiple and the platform trading multiple in the distribution and service provider sectors.

In the London Carrier Market, last quarter's level of M&A activity remained relatively modest, continuing a trend observed over the last 18 months: just a handful of material transactions were announced this quarter. However, there is an argument to be made that for the right investor, perhaps now could be the time to buy a Lloyd's platform to benefit from the improvement in underlying underwriting performance and the continuing hard market for certain lines of business.

Investor appetite for reinsurance businesses declined noticeably, reflecting sustained weak performance and high levels of volatility. A number of processes did not complete or were pulled this quarter, the most highly

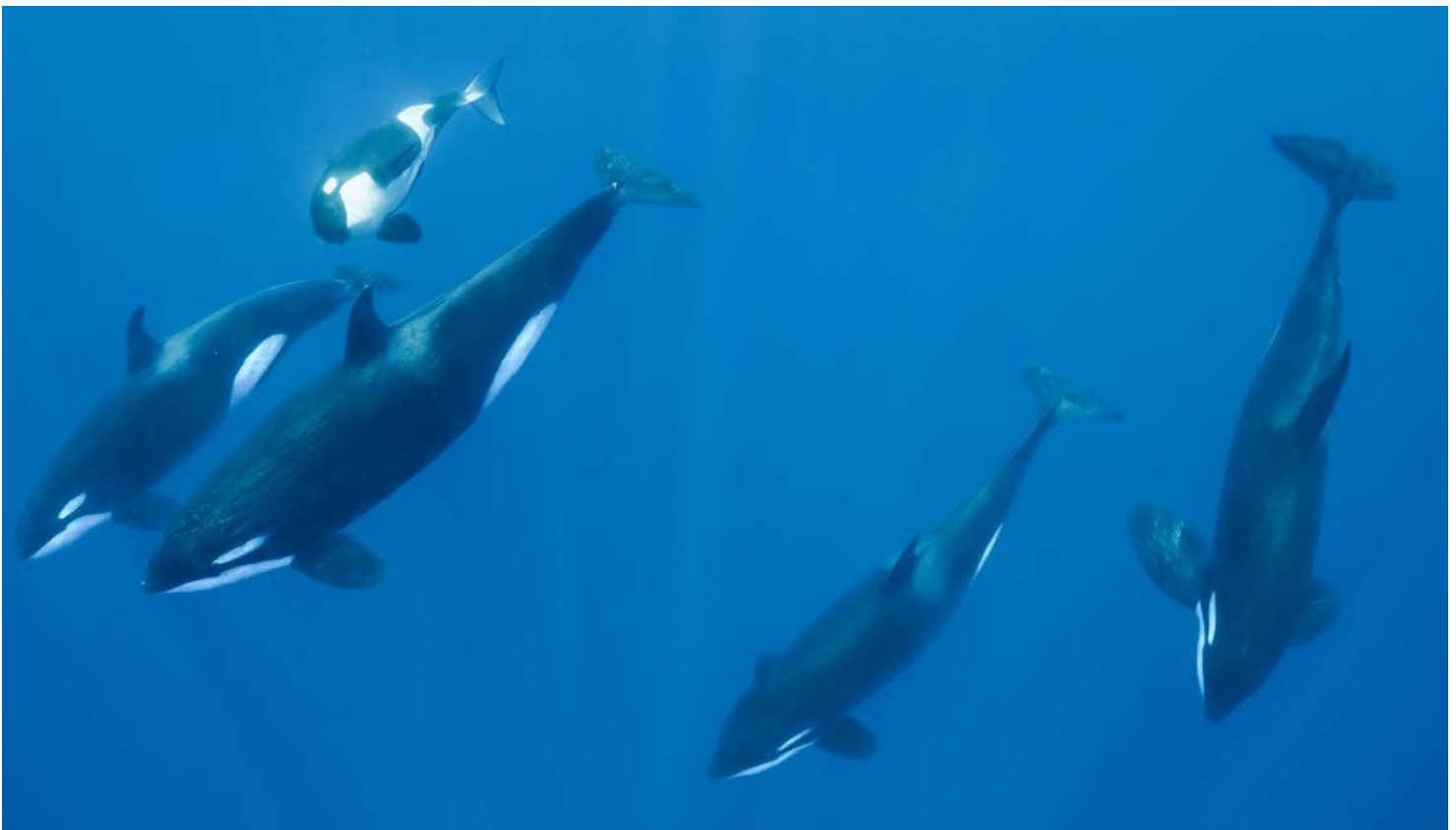
publicised instance being Brickell's withdrawal of its bid for R&Q. The Canada Pension Plan Investment Board (CPPIB) also pulled the sale process of life reinsurer Wilton Re after it was unable to secure a bid that met its expectations. Axis Capital withdrew the sale of its reinsurance arm, Axis Reinsurance, citing poor property & casualty (P&C) reinsurance market conditions. Argo, meanwhile, passed its first-round bid deadline with limited interest. Could a value-based creation investor take the view that a reinsurance roll-up play has merits?

We would be pleased to hear from you if you would like a more in-depth analysis of these results or are interested in how FTI Consulting can support your M&A strategy across Europe.

Click below to read our previous Insurance M&A Barometer reports.

[2022 Q1 European Insurance M&A Barometer](#)

[2021 European Insurance M&A Barometer](#)



United Kingdom & Ireland*

The UK & Ireland* was the European region that recorded the highest number of announced transactions in Q2. There was an acceleration in the level of M&A activity carried out by strategic buyers looking to grow market share and gain economies of scale in the distribution and services sector. While there was a slight observed decline in private equity (PE) portfolio company transactions, this partially reflected Brown & Brown’s acquisition of Global Risk Partners (GRP) in Q1 2022, meaning the latter’s M&A activity now features under strategic buyers. An increased proportion of acquisitions were of insurance services providers, with 14 recorded (22% of total UK & Ireland), compared to four in Q1 2022 (9% of total) and two in Q2 2021 (5% of total). These insurance services companies include loss adjusters, claims managers and premium financing companies, plus risk management consultancies among other services.

Insurance carriers in the UK & Ireland*

No acquisitions of insurance carriers in the broader regional UK & Ireland markets (outside the London Market) were announced in this quarter.

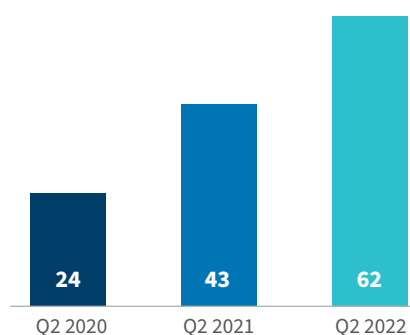
Focus on the London Market and Bermuda

Though UK & Ireland transaction volumes were up overall, London Market M&A transaction volumes for carriers’ businesses remained relatively quiet, continuing the trend from the last 18 months, with just a handful of material transactions observed this quarter.

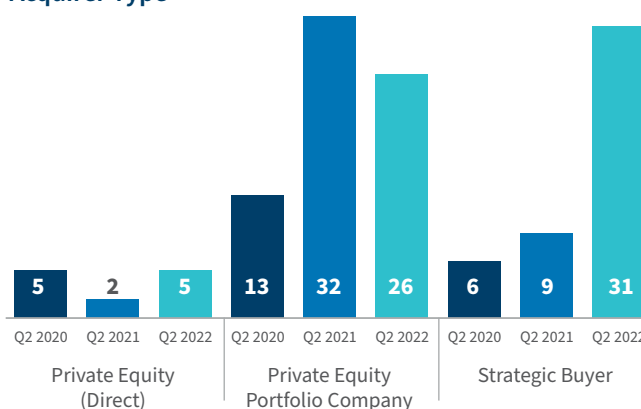
However, there is an argument to be made that, for the right investor, now could be the time to buy a platform for the Lloyd’s turn, given the improvement in the underlying underwriting performance.

Members of protection & indemnity (P&I) insurers North and Standard approved a merger, paving the way for NorthStandard to launch as a single entity in time for P&I renewals in February 2023. The merger will create one of the largest providers of P&I cover in the world, with annual premiums of around \$750mn.

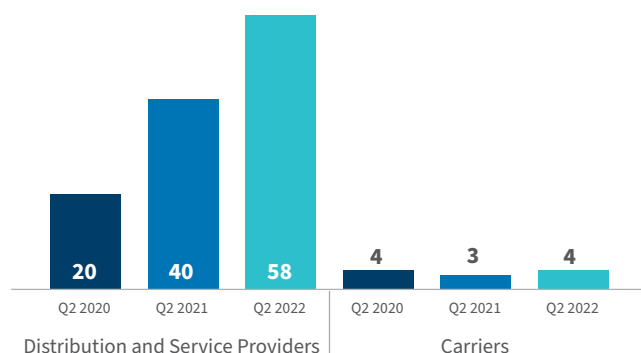
Total UK & Ireland* Insurance M&A Deals



Total UK & Ireland* Insurance M&A Deals by Acquirer Type



Total UK & Ireland* Insurance M&A Deals by Business Type



*Includes Bermuda insurance market

California-based private investment firm Altamont Capital Partners acquired a majority stake in property & casualty (P&C) Bermuda-based reinsurer Fleming Holdings. Altamont also made a \$150mn capital commitment to Fleming to support its growth, which is expected to focus on the secondary market for insurance liabilities.

US-based Aquarian Holdings agreed to acquire a controlling interest in Bermuda-based Somerset Reinsurance, which serves the US life insurance and annuity market. Atlas Merchant Capital and several other shareholders sold their stakes to Aquarian.

Bermuda is known as a hub for reinsurance, but despite Atlas Merchant's success, several of the quarter's intended deals in that market that didn't complete.

One instance that gained considerable publicity was the withdrawal of Brickell's £482mn bid for R&Q due to an alleged breach of obligations. R&Q subsequently placed \$125mn of shares at 40% below Brickell's offer price as an alternative means of sourcing capital. The sale of Wilton Re by Canada Pension Plan Investment Board (CPPIB) was also pulled after no bids met expectations (thought to be in the region of £2.5bn-£3bn). Axis Capital withdrew the sale of Axis Reinsurance, citing poor P&C reinsurance market conditions.

Bermuda-domiciled specialty insurer Argo Group was also reported to have passed its opening bid deadline with only limited interest and is thought to be deciding whether to press ahead with its proposed auction or perhaps sell its Lloyd's business separately first.

Guernsey-based specialty lines reinsurer Kelvin Re was acquired by Cowen, a financial services group with headquarters in New York, from Credit Suisse's ILS arm after previous backer Abu Dhabi Investment Council placed the company into run-off following losses due to natural catastrophic events.

Medical liability insurance specialist Coverys put its Lloyd's managing agency up for sale following a decision to put Syndicate 1975 – focused on medical malpractice – into run-off by the end of 2022. The proposed sale is unlikely to include Syndicate 1975's liabilities.

Insurance distribution and services in the UK & Ireland

In a deal believed to be worth around £360mn, implying a 18x FY22 pro forma EBITDA, Goldman Sachs's PE arm acquired a majority stake in broker consolidation platform Clear Group from ECI Partners.

Clear has more than 30,000 clients and handles more than £330mn in premiums, with a focus on the UK corporate and small to medium enterprise (SME) markets. The Group said that it would continue to invest in its UK business while also aiming to expand into fresh markets via M&A activity.

Clear itself acquired Centor, a specialist in bespoke insurance programmes for both private and corporate clients, and chartered broker and risk management business ProActive. These deals brought the total number of brokers acquired by Clear since its foundation in 2001 to 34.

Following a lengthy sales process, Australia-based AUB Group acquired 100% of London Market broking house Tysers from Odyssey Investment Partners for £500mn, with the purchase price implying a 9x FY22 pro forma EBITDA. An additional consideration of up to £100mn may be payable two years after completion if agreed growth targets are met. Funding for the acquisition came from raising equity, placement of new AUB shares to Odyssey, and a new AU\$675mn debt facility. AUB is expected to direct AU\$200mn of gross written premium from existing and future placements within broking and agency networks, creating an uplift in margin and revenue for AUB. AUB hopes that the deal will help it to access diverse risks and insurance types for its clients and broker networks in Australia and New Zealand, as well as to accelerate the establishment of new agencies in these markets. AUB also announced that it would sell a 50% stake in Tysers UK Retail to PSC Insurance.

Howden acquired global reinsurance broker TigerRisk for \$1.6bn, buying out PE backer Flexpoint Ford and creating Howden Tiger, the 4th largest reinsurance broker with revenues of about \$400mn. The deal valued TigerRisk at around 18x EBITDA of \$85mn-\$90mn. The deal was expected to be funded by Howden's equity providers CDPQ, General Atlantic and Hg as well as additional debt. The move will enhance the firm's reinsurance and capital markets offerings, forging a business that manages \$30bn of gross written premium (GWP) and that now has an enterprise value of \$13bn, employing 12,000 people across 45 countries.

Howden and its subsidiaries made several further purchases this quarter: UK mortgage and insurance broking specialist SPF Private Clients; Eridge Underwriting Agency, a managing general agent (MGA) focused on specialist and higher-rated motor insurance; UKGlobal Broking Group; and Kildare-based specialist broker J F Dunne Insurances.

Broker consolidator GRP made eight acquisitions, extending its geographical coverage in England and Wales. These were Archenfield Insurance Management; Castle Insurance Services; Marsh & Co together with Marsh's MGA Ginger Markets; DCJ Group Insurance and Risk Management; Insurefirst trading as Bush & Associates; SM Commercial Insurance Brokers Taylor Francis; and Prescott Jones.

US brokerage Brown & Brown acquired Patrick Quinlan Insurance, an Ireland-based specialist in property insurance solutions for apartment block management companies and property owners and their agents. Brown & Brown cited synergies with its O'Leary Insurances operation, also in Ireland.

JM Glendenning Group (JMG) acquired several brokers this quarter: Newcastle-based The Sphere Group, Scotland's Greenwood Moreland; GS Group, believed to be Scotland's biggest independent broker; and RC McLeish (acquired by JMG subsidiary Greenwood Moreland, itself acquired earlier in 2021).

GTCR backed broker platform AssuredPartners has agreed to acquire Irish business Gallivan Murphy (GMIB), which deals in personal and commercial lines and places more than €60mn of GWP per year. AssuredPartners has acquired more than 400 agencies and brokers since its foundation in 2011. It has offices in five countries and 35 US states.

London Market broker Partners& acquired Scottish broker MacDonald Group. Both companies see the deal as an opportunity for expansion, including further M&A activity.

US broker consolidator Acrisure agreed to acquire Nottingham's long-established brokerage and risk manager Russell Scanlan – its hundredth acquisition including those still under letter of intent.

Apax's distribution platform, PIB Group, made several acquisitions this quarter including international wholesale specialty broker Guest Krieger; independent consultancy Baily Garner (Health & Safety); Fingal Insurance and Sullivan Insurances, which strengthen PIB's presence in Ireland; and Balens, a specialist in health, wellbeing, fitness and beauty.

US-based P&C broker NFP, which also acts as a benefits consultant, wealth manager and retirement plan advisor, took over Dublin-based Simon Shirley Advisors, expanding its presence in Ireland, particularly in the area of employee benefits and wealth management.

Aviva entered exclusive negotiations to acquire the UK and Irish high net worth personal lines business of Azur Underwriting, a specialist MGA; Azur's team were expected to transfer to Aviva.

It was reported that investment holding company Primary Group planned to sell its personal lines MGA QMetric, with offers possible in the second half of 2022, which could attract both PE and strategic buyers.

Pursuing its strategy of deepening and innovating in consumer relationships, **Lloyds Banking Group announced that it intended to acquire protection business Cavendish Online.** Cavendish provides hybrid direct-to-consumer, guided and advised life insurance, critical illness and income protection offers.

London and New York based investment firm TowerBrook Capital Partners agreed to acquire Premium Credit from PE firm Cinven. Premium Credit is a UK-based firm providing specialist lending solutions such as premium finance for commercial and retail insurance products.

Specialist insurance services and technology business Davies made a couple of acquisitions: Worksmart, a UK company whose products help organisations track and manage regulatory processes associated with people and process management, and in Ireland, ProAdjust, a provider of loss adjusting and claims management services.

Global broker group Arthur J. Gallagher (AJG) made several more acquisitions, including Erimus Group, a retail broker in northeast England; INNOVU Insurance, another retail broker in Ireland; third-party claims administrator Claims Settlement Agencies (acquired by AJG's risk management services subsidiary, Gallagher Bassett International); and Churchills International Consulting, which provides corporate clients with employee benefits programmes.

Loss adjusters QuestGates made a variety of purchases: Amedeo Adjusting, providers of property and liability loss adjusting services; specialist structural engineering consultancy Structural Surveys; and third-party motor claims handling specialist C&S Associates.

HSB Group acquired UK structural warranties and building surveying specialist MD Group. HSB Group is a UK-based engineering and technology insurance, engineering inspection and consultancy services provider, and is itself part of Munich Re.

France

Deal volumes in France were comparable with the corresponding periods of Q2 2021 and Q2 2020, reflecting steady activity in the brokerage space. All five deals announced were PE led – a shift in trend from prior quarters, where strategic buyers were dominant.

Insurance carriers in France

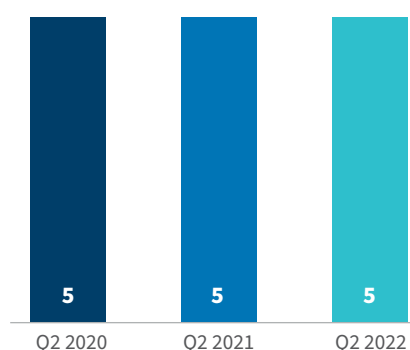
State-owned reinsurer CCR Group was reported to put a stake of its international reinsurance unit, CCR Re, up for sale. This business had €842mn of premium income at the end of 2021, of which just over one-third stemmed from life and health business with €545mn in P&C risks, led by property and motor and liability business. It recorded a 96.6% combined ratio in 2021 and delivered net income of €41mn. No acquisitions of insurance carriers in the French market were observed in this quarter.

Insurance distribution and services in France

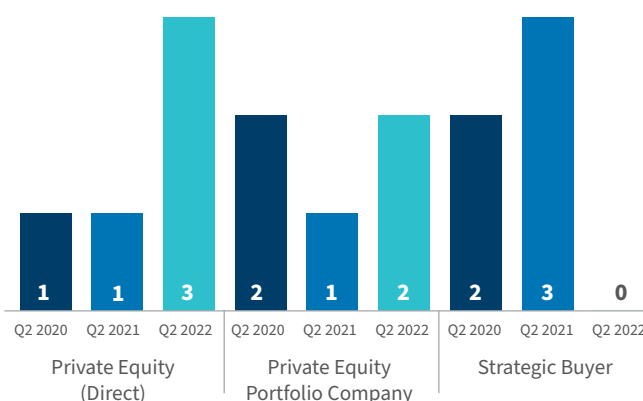
Under an agreement with US PE firm TA Associates, the French private investment house Ardian became a co-controlling shareholder of Odealim, a real estate insurance and credit brokerage with revenues of over €160mn. Parties reinvesting in the transaction included TA as majority shareholder, Raise Investissement, an existing minority shareholder, and the management team. Founded in 1998, Odealim develops insurance solutions for real estate professionals such as property managers, institutional investors and co-ownerships. It operates across France, having made multiple acquisitions itself as well as growing organically. Recently, it has diversified into mortgage brokerage and insurance via investments in specialists Digital Insure and Artémis Courtage. Odealim expects the Ardian agreement to support its further organic growth and an ongoing M&A programme.

The OTPP-backed European broker platform Diot-Siaci bought family-owned credit insurance brokerage Lindauer & d’Andlau, the latest in a series of acquisitions.

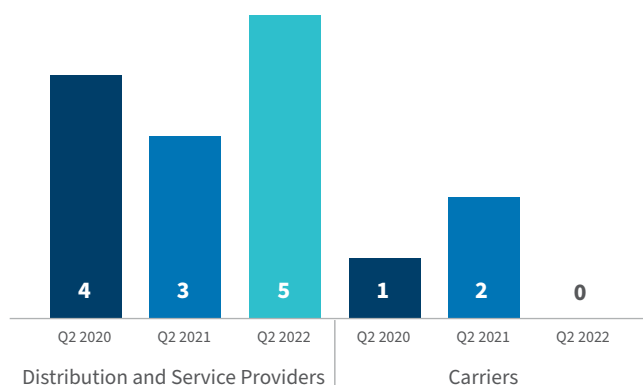
Total France Insurance M&A Deals



Total France Insurance M&A Deals by Acquirer Type



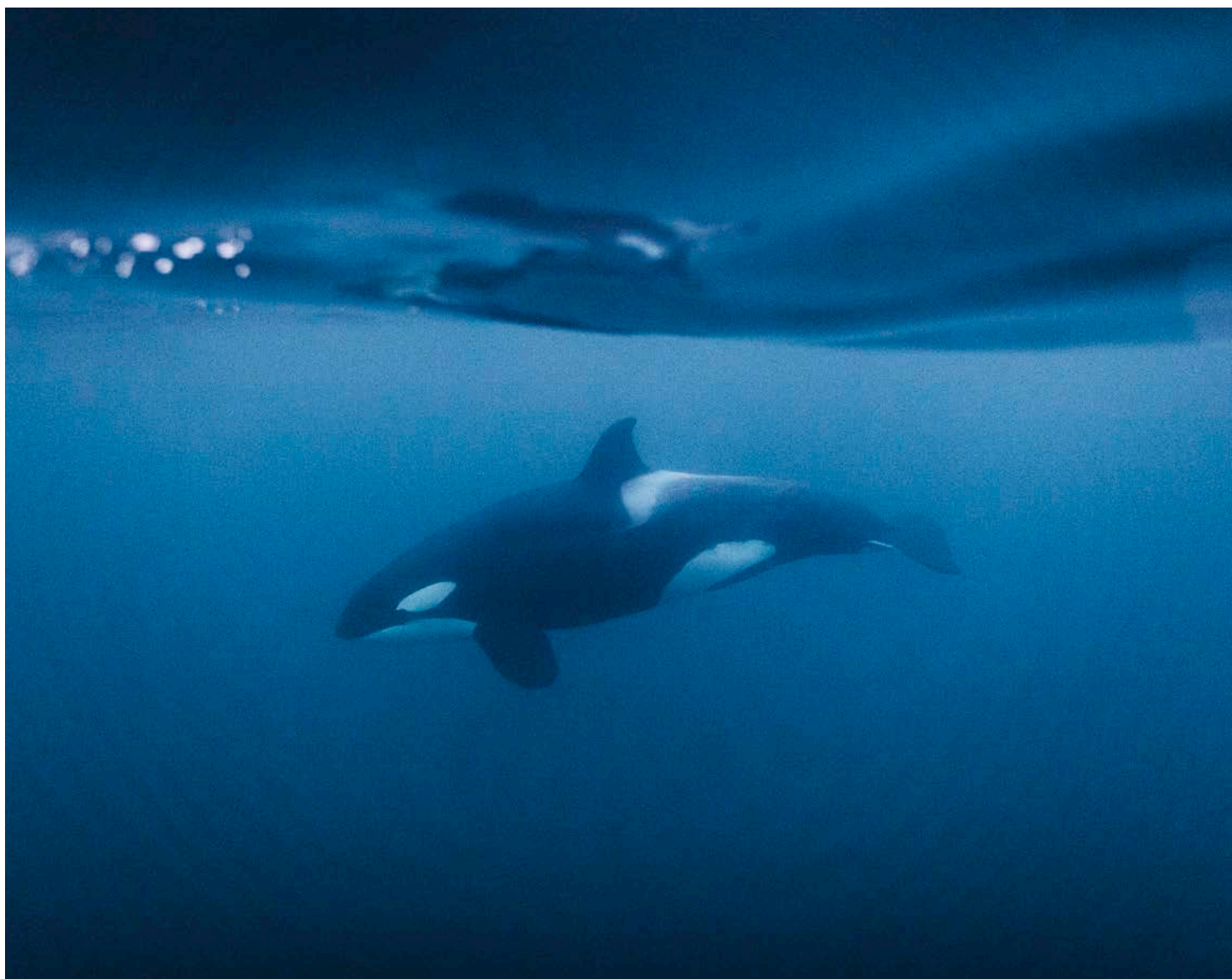
Total France Insurance M&A Deals by Business Type



It was reported that French wholesale intermediary April would be put on the market by PE firm CVC later in 2022. April is active in P&C, expatriate health insurance, corporate and individual health and personal protection, and loan insurance, and turned over €544mn in 2021.

In a series E financing round, Alan, a digital health insurance MGA, raised €183mn from a consortium led by Ontario Teachers' Pension Plan, with participation from both new and existing investors.

US-based Duck Creek Technologies, which specialises in IT for P&C insurance, agreed to acquire two of Prima Solutions' software-as-a-service products: commercial reinsurance technology solution Prima XL and Prima Compliance for Solvency II.



Benelux

The Benelux region’s transaction volumes this quarter were similar to those seen in Q2 of 2021. The region’s distribution and service providers market remains highly fragmented.

Insurance carriers in Benelux

Netherlands-headquartered insurer Achmea agreed to take over ABN AMRO Pensioeninstelling. Because the latter is licensed to operate as a premium pension institution (PPI), the deal opens up a new market for Achmea, which says it is evolving into a financial services company.

Conservatrix, a Dutch insurer declared bankrupt in 2020 at the request of De Nederlandsche Bank, was reported to be in advanced talks with a potential buyer, though no agreement had been reached so far.

Insurance distribution and services in Benelux

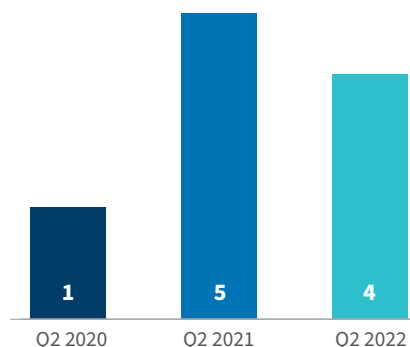
Dutch PE company Parcom was reported to be preparing to auction its stake in major Netherlands life insurance MGA TAF on the basis of annual EBITDA of around €30mn.

In Belgium, Group Claeys acquired Kantoor Delaey-Stevelinck, a deal that reportedly put it in the country’s top 15 independent brokers, as well as giving it a fifth branch, in Oostduinkerke.

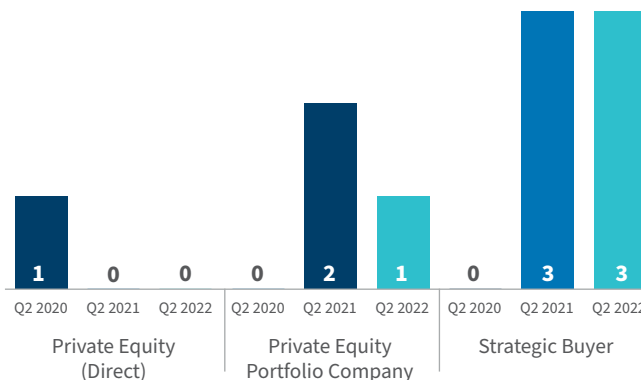
Netherlands-based SME specialist brokerage VLC & Partners entered into a new partnership by acquiring a majority stake in Bielderman Koetsier, a specialist in non-life insurance, employee benefits, pensions and mortgages.

Crawford & Company, a major global provider of claims management and outsourcing solutions, acquired R.P. van Dijk, a loss adjuster in the Netherlands focused on personal injury claims.

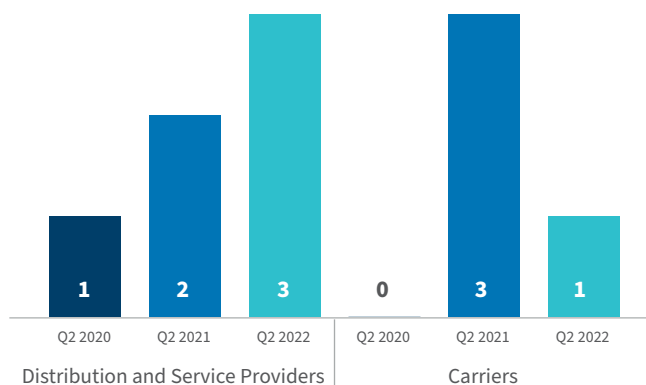
Total Benelux Insurance M&A Deals



Total Benelux Insurance M&A Deals by Acquirer Type



Total Benelux Insurance M&A Deals by Business Type



Italy

There has been an increase in deal activity in Italy with 10 announced transactions compared with seven in Q2 2021. The increase was driven by broker consolidation to establish local presence and strengthen market share.

Insurance carriers in Italy

Banco BPM said it would exercise its option to buy the remaining 81% share of life insurer Bipiemme Vita, its life insurance joint venture with French mutual Covéa. The bank estimated the price of Covéa’s stake at around €310mn. Bipiemme Vita owns all the share capital of a non-life carrier, Bipiemme Assicurazioni.

Insurance distribution and services in Italy

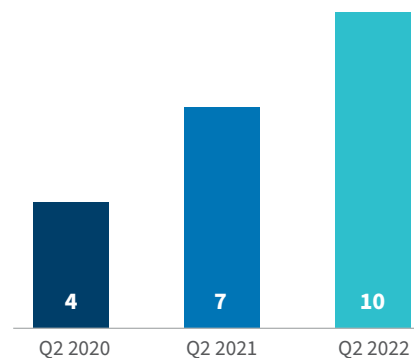
Reinforcing an Italian presence established in 2021, Howden made another two acquisitions this year in Italy: Nord Est Insurance Broker and ASI, a specialised broker for sureties and freelance professionals. Howden has already made five acquisitions, including the largest independent insurance broker in Italy, Assiteca, and the specialist brokers Andrea Scagliarini and Tower.

Willis Towers Watson (WTW) also demonstrated commitment to the Italian market, completing its acquisition of DM Insurance Broker, which provides brokerage services to corporates in Italy, specialising in bond insurance and surety bonds.

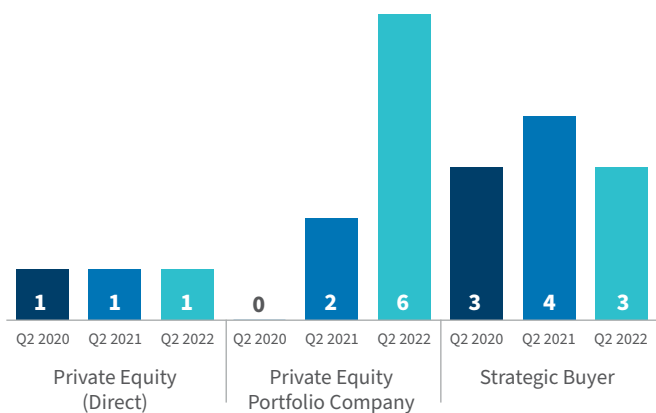
Global technology investor Silver Lake agreed to acquire a majority stake in the leading Italian online insurance price comparison website Facile.it, buying out PE firms EQT and Oakley Capital.

US broker consolidator Acrisure also made two Italian acquisitions: Premium Intermediazioni Assicurative, specialising in agricultural insurance, and Demetra, a service company supporting insurance companies.

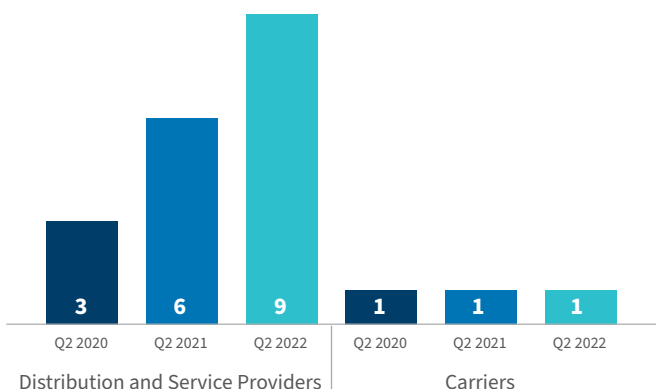
Total Italy Insurance M&A Deals



Total Italy Insurance M&A Deals by Acquirer Type



Total Italy Insurance M&A Deals by Business Type



Iberia

M&A activity continues to accelerate in the Iberia region, with 13 announced acquisitions in Q2. In contrast to Q1 2022, most of the buyers were based in Iberia, with just three transactions by foreign bidders. Strategic buyers took the lead, with most brokers being acquired by Spanish distribution groups looking to expand their footprint within the region. Life and pension deals featured in the deal statistics for Q2, including the start of run-off transactions.

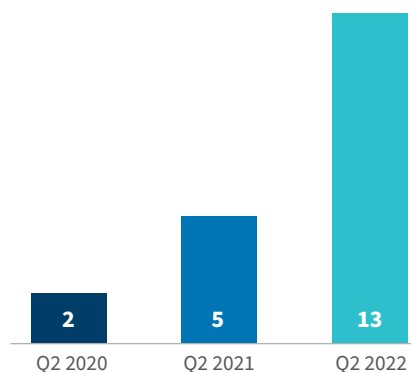
Insurance carriers in Iberia

Elliott’s Spanish life insurance platform Mediterráneo Vida (MedVida) agreed to acquire CNP Partners, the Spanish subsidiary of France’s life insurer CNP Assurances. MedVida also announced that it would invest €20mn over two years to increase the company’s competitiveness and service capacity. Operating in Italy as well as Spain, CNP Partners is a life insurance company focusing on traditional savings products. MedVida specialises in acquiring, integrating and administering life portfolios and companies that are no longer strategic for their owners; prior to the acquisition it managed policies for more than 130,000 policyholders with investments exceeding €2.3bn. The deal will double MedVida’s balance sheet, bringing the total investments that it manages to €5bn. MedVida will also gain a foothold in Italy, where CNP Partners have several bancassurance agreements.

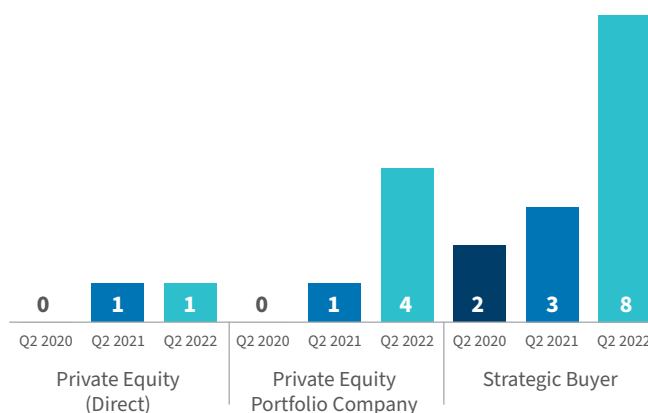
In a separate deal, MedVida agreed to take over the life insurance portfolio of Metrópolis, a Spanish company that has decided to cease its insurance activity to focus on other business areas.

Having merged with Liberbank in 2021, Unicaja Banco discontinued Liberbank’s relationships with Mapfre and Aegon. Unicaja bought out Aegon’s 50% stake in a joint venture set up by Liberbank and Aegon for a consideration of €177mn. However, Unicaja agreed to extend its bancassurance alliance with Spanish insurer Santalucia into the areas of life protection, savings, personal accidents and pension plans, and sold a 50% plus one share stake in two of its companies to Santalucia for a consideration of €318mn.

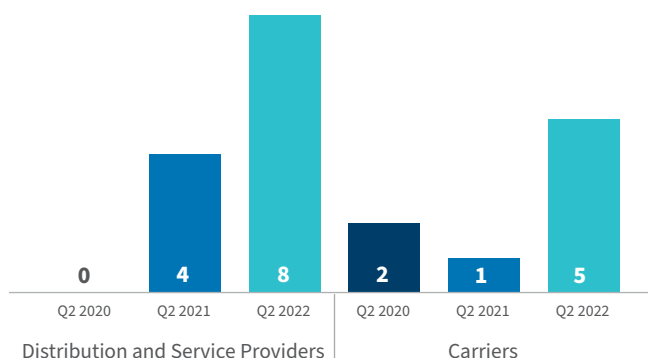
Total Iberia Insurance M&A Deals



Total Iberia Insurance M&A Deals by Acquirer Type



Total Iberia Insurance M&A Deals by Business Type



In addition, Unicaja sold half of its 20% holding in insurer Caser to Helvetia Group, which now owns 80% of the company. Caser itself sold its stake in life insurance company Sa Nostra Vida to Caixabank.

German insurer Ergo was reported to be selling the Spanish operations of its subsidiary DAS Seguros, a legal protection insurance company; several prospective buyers were said to be interested.

Insurance distribution and services in Iberia

In its third Spanish acquisition, Apax-backed broker consolidator PIB Group announced that it would buy the insurance broker Tractio Risk. Founded in 2011, Tractio deals in transport, port and logistics risks, among other activities. More specifically, it expects that the Tractio acquisition will help it create a full-service proposition extending its offering in Spain to cargo, marine hull and liability.

Continuing a consolidation project in the Iberian insurance brokerage market, Spanish PE firm Miura Partners added Ores & Bryan, a specialist in credit and surety for SMEs, professionals and individuals, to its Brokers Alliance project. From headquarters in Malaga, Spain, Ores & Bryan brokered €30mn in premiums in 2021 and achieved €6mn revenues. When the business is combined with Banasegur, which Brokers Alliance acquired in 2021, the total will be more than €120mn premiums and nearly €20mn revenues.

French multinational broker Verspieren's Portuguese arm has increased its presence in northern Portugal by acquiring 100% of Macedo Mediação de Seguros, an insurance intermediary with around 1,700 customers.

Major Portuguese commercial lines broker F. Rego bought WiseBroker, a company offering consulting and risk analysis, as well as broking. F. Rego has generated revenues of €14mn and has 120 employees, indicated that it would continue to look for potential M&A targets in the region.

Spanish insurance and reinsurance broker Confide acquired another broker, Madrid-based Iccuris: this follows Confide's acquisition of Josep María García Maranges in Barcelona during 2021.

Iberia has been one of the most dynamic markets within Continental Europe

PE house AnaCap agreed to invest in Further Underwriting International. Based in Spain but operating internationally, Further is a digitally enabled specialist in the design and development of niche health insurance products and services.

Nordics

M&A deals in the Nordic region showed a slowdown, with seven transactions recorded in Q2 compared with 10 in the corresponding quarter of 2021. Of these seven, six were for brokers or service providers. Deal activity was dominated by financial sponsors, in contrast to Q2 2021 where activity was led by strategic acquirers.

Insurance carriers in the Nordics

Stockholms Stadshus and S:t Erik Livförsäkring agreed to transfer the latter’s pension commitments to SPP Pension & Försäkring for long-term management.

Stockholm Stadshus is a company owned by the City of Stockholm to unify its other companies; S:t Erik is a life insurance company set up in 2006 to insure pension commitments for the Stockholm Stadshus employees; SPP is a pension and insurance company. The move was to be effected through a share transfer.

Insurance distribution and services in the Nordics

Denmark-based warranty & indemnity specialist MGA RiskPoint was reportedly looking to raise additional investment. The reports suggested that the company was interested in fundraising rather than selling, but that PE investors could be interested.

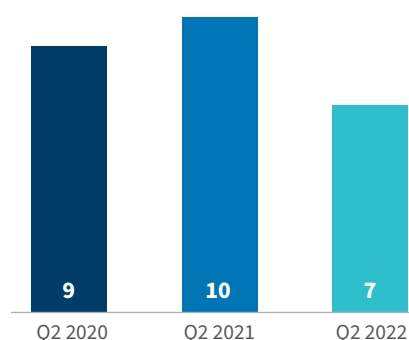
Nordic Capital’s Swedish intermediary platform

Max Matthiessen acquired non-life insurance broker Skeppsbron, also based in Sweden. Non-life insurance is a growth area for Max Matthiessen and so the deal brings valuable expertise.

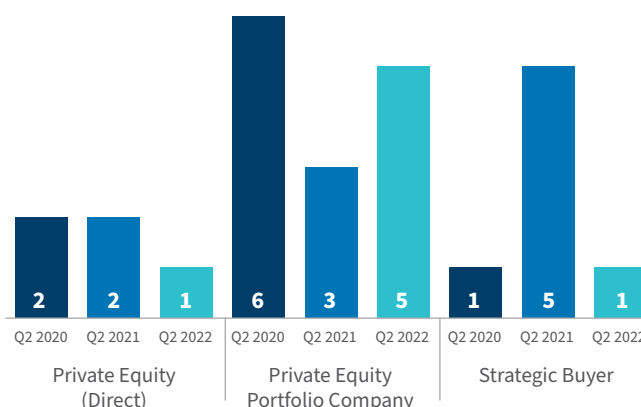
Norway’s Longship Fund II invested in Norwegian marine insurer Hydor, taking control of a total of 57.12% of the shares, some of them purchased from the founders and some representing new capital for further growth. Hydor is an MGA offering fixed-premium P&I insurance, mainly for smaller vessels.

The Adelis-owned Swedish broker consolidator Säkra pursued its inorganic expansion model with three further acquisitions: Kim Götrich Försäkringskonsult, Invivum and parts of Cover Consulting.

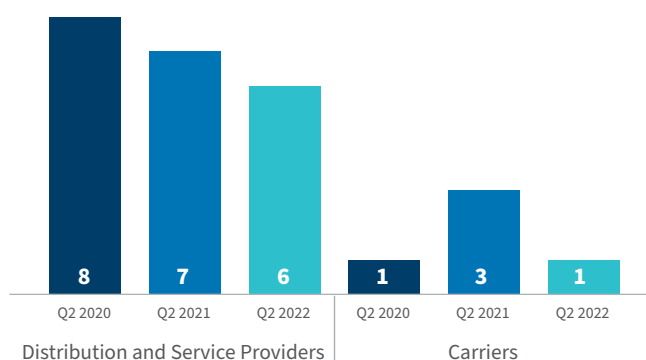
Total Nordics Insurance M&A Deals



Total Nordics Insurance M&A Deals by Acquirer Type



Total Nordics Insurance M&A Deals by Business Type



Germany, Austria & Switzerland (DACH)**

M&A deals continue at a strong pace in the Germany, Austria, Switzerland (DACH**) region, with eight deals announced during Q2 2022. Although this fell short of Q1 2022's 13 announced deals, overall deal announcement volumes exceeded those recorded in Q2 for both 2020 and 2021. On the other hand, broker consolidator activity has been relatively quiet for Q2 2022. Overall, the DACH** region continues to be the most fragmented market in Europe, with significant potential for further consolidation.

Insurance carriers in DACH**

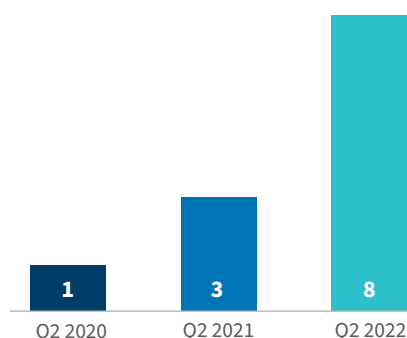
Zurich Insurance Group sold its legacy life insurance back book in Germany to Cinven-backed German life insurance run-off manager Viridium Group. The transaction included the transfer of €18.1bn (\$20bn) worth of net reserves relating mainly to annuity and endowment products underwritten more than five years ago. Viridium, which specialises in consolidating and managing closed-book life insurance portfolios in Germany, will take over around 720,000 policies under the deal. This is Viridium's fifth transaction in eight years and brings its portfolio to about 4.5mn policies, and assets under management to around €92bn. For Zurich, the sale reduces its capital intensity and exposure to interest rates; it has emphasised that it will continue to invest in products and propositions for customers and distributors in Germany.

German independent insurance company IDEAL Versicherung agreed to acquire life insurance and pension provider myLife Lebensversicherung and fee-based advisory service provider HonorarKonzept, both from Swiss InsurEvolution, a Swiss insurance group.

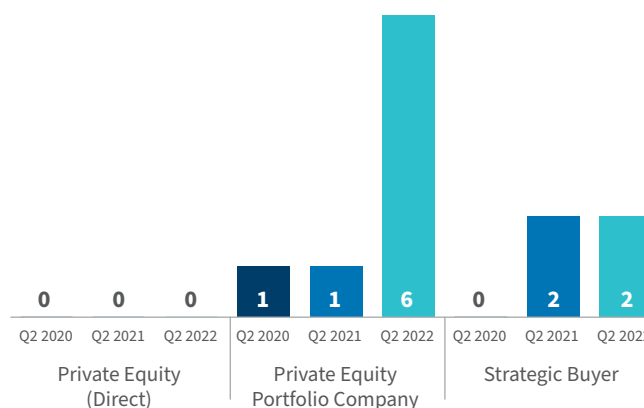
Insurance distribution and services in DACH**

In Germany, financial services company MLP Group's P&C brokerage arm RVM (itself acquired by MLP in 2021) bought 100% of the shares in Dr. Schmitt GmbH Würzburg – Versicherungsmakler (DSV), a commercial lines broker focusing on healthcare and commercial properties. The purchase consideration was said to be in the low double-digit million euro range.

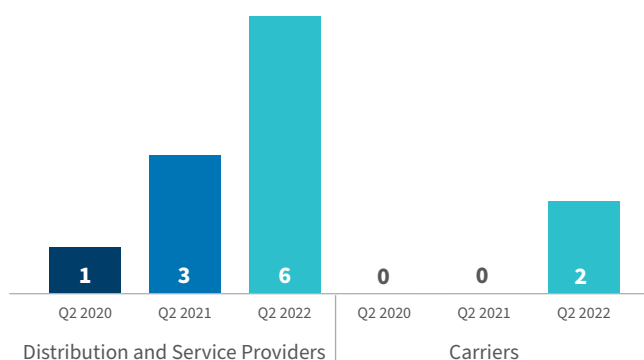
Total DACH** Insurance M&A Deals



Total DACH** Insurance M&A Deals by Acquirer Type



Total DACH** Insurance M&A Deals by Business Type



**Includes Lichtenstein

Global broker Aon bought Germany-based broker Karl Köllner, which specialises in marine cargo and hull, though it is also active in property and other traditional lines.

Creating what is believed to be Europe's leading technology-based financial lines and cyber insurance ecosystem, cyber specialist Erichsen has sold its cyber business operations to the insurtech Finlex. Both parties have headquarters in Germany and provide services primarily to brokers and agents. Finlex operates a digital marketplace spanning directors & officers (D&O), cyber, legal expenses, fidelity, pecuniary loss liability and capital market transaction insurance. Its platform gives insurers automated underwriting and access to industrial brokers. Erichsen provides customised consultancy services in relation to cyber insurance. The companies' combined share of the German market is more than 10%. Erichsen's business will gradually be integrated into Finlex, but the Erichsen brand will be used for consulting services.

Howden continued its growth in Switzerland by purchasing Bachmann & Partner, based in Zug. This is an independent insurance broker providing personal and property insurance to SMEs.

German insurtech Wefox was reported to be seeking to raise several hundred million dollars in fresh funding against a valuation of \$5bn-\$6bn, to support expansion into the US and Asia as well as reinforcement of existing markets in Europe. The company has developed an insurance comparison platform and offers digital solutions for policy management, claims settlement and quotations for health insurance, liability insurance, life insurance, auto insurance, and disability insurance, enabling customers to get personalised and suitable insurance coverage. Wefox would be nearly doubling its valuation from last year, when it raised \$650mn in a series C round valuing the company at \$3bn. The company's existing investors include Abu Dhabi sovereign fund Mubadala Investment Co., Salesforce Ventures, Ashton Kutcher's Sound Ventures and Hong Kong Li Ka-Shing's Horizons Ventures.



*The DACH** region continues to be the most fragmented insurance market in Europe, with significant potential for further consolidation*

Central and Eastern Europe - CEE***

FTI Consulting tracked only one deal announcement in the CEE*** region, perhaps reflecting the impact of the current geopolitical crisis.

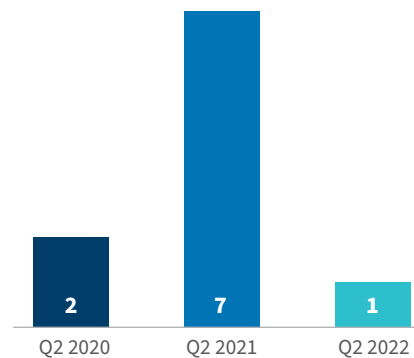
Insurance carriers in CEE***

In a deal reported to be worth more than zł156mn (€32.7mn), Japan-based Meiji Yasuda Life Insurance Company raised its equity holding in Polish insurance affiliate Europa Group to 50% minus one share. This was achieved by purchasing an additional 16.54% stake from GH Group. The remaining 50% plus one share is owned by Germany’s HDI International, itself a subsidiary of Meiji Yasuda Life’s business alliance partner Talanx. Europa’s focus area is insurance sales through financial institutions, retail and travel agencies, etc. It has been managed jointly by Meiji Yasuda Life and HDI since 2012. Meiji Yasuda Life expected its increased shareholding in Europa to strengthen its alliance with Talanx.

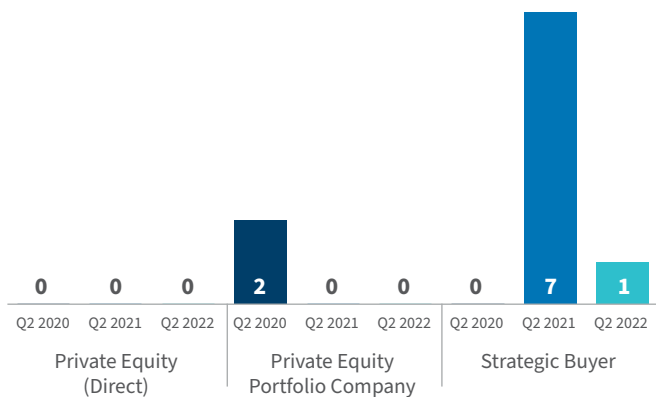
Insurance distribution and services in CEE***

No distribution or service providers were announced this quarter in the region.

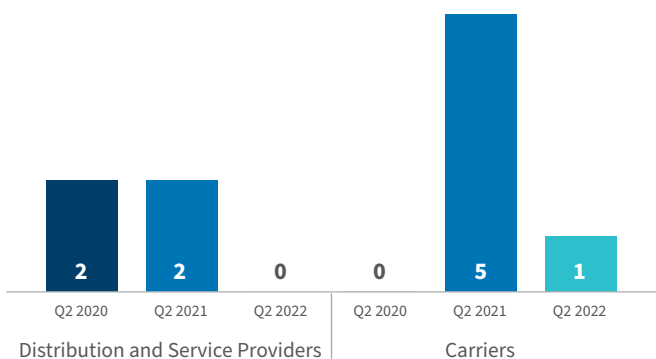
Total CEE*** Insurance M&A Deals



Total CEE*** Insurance M&A Deals by Acquirer Type



Total CEE*** Insurance M&A Deals by Business Type



***Includes Greece and excludes Russia

Insurance M&A services

FTI Consulting's multi-disciplinary experts work as one team to provide unparalleled support through all stages of the transaction cycle for both vendors and acquirers. This includes:



Strategic business review



Origination, target identification and buy-side advisory



Due diligence and valuation opinions



Strategic communications



Integration & synergy planning



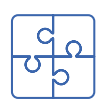
Sell-side advisory & carve outs



Performance improvement & balance sheet management



Turnaround & restructuring



Run-off & legacy solutions

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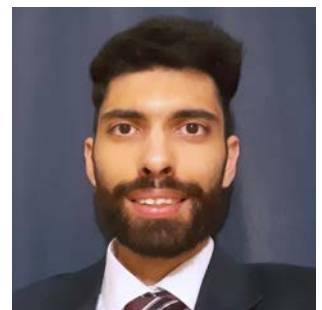
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Methodology

This analysis considers announced and completed deals from a variety of company websites, media news and other reliable sources. Country and sector are defined according to the headquarters and dominant sector of the target firm. The term “acquisition” refers to both completed deals and those in the signing/bidding stage.

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