

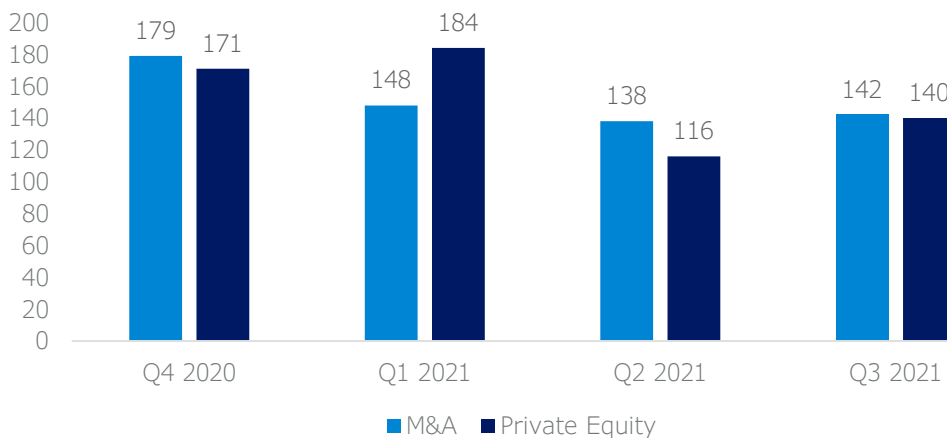
# Market Update Insurance

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Global M&A activity in the Insurance industry remained on record pace during the third quarter of 2021. Q3 activity outpaced that of Q2 with a strong rise in Insurtech transactions. Specifically, 40+ M&A transactions occurred within the Insurtech space in Q3, one of the highest deal counts in history.

The third quarter recorded 282 completed M&A deals in the broader Insurance industry. Deal volumes and valuations continue to increase in 2021, thanks to the ongoing adoption of cutting-edge technologies within the ecosystem driving reduced costs, as well as increased operational efficiencies and profitability. The M&A environment is expected to remain robust throughout Q4, most likely closing the year with a record number of transactions closed and capital raised.

## # of M&A Deals in the Insurance Industry

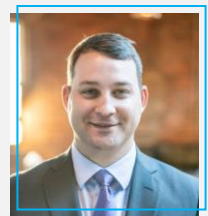


7MA has completed and is constantly working on a number of transactions with companies that operate in the Insurance and Insurtech sectors. Our team has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and the most active strategic and financial buyers. Please contact Nicholas Prendergast, Steve Buffington, or Adam Alderfer if you would like to learn more about 7MA's Insurance Technology and Services practice.

### Sector Coverage Team



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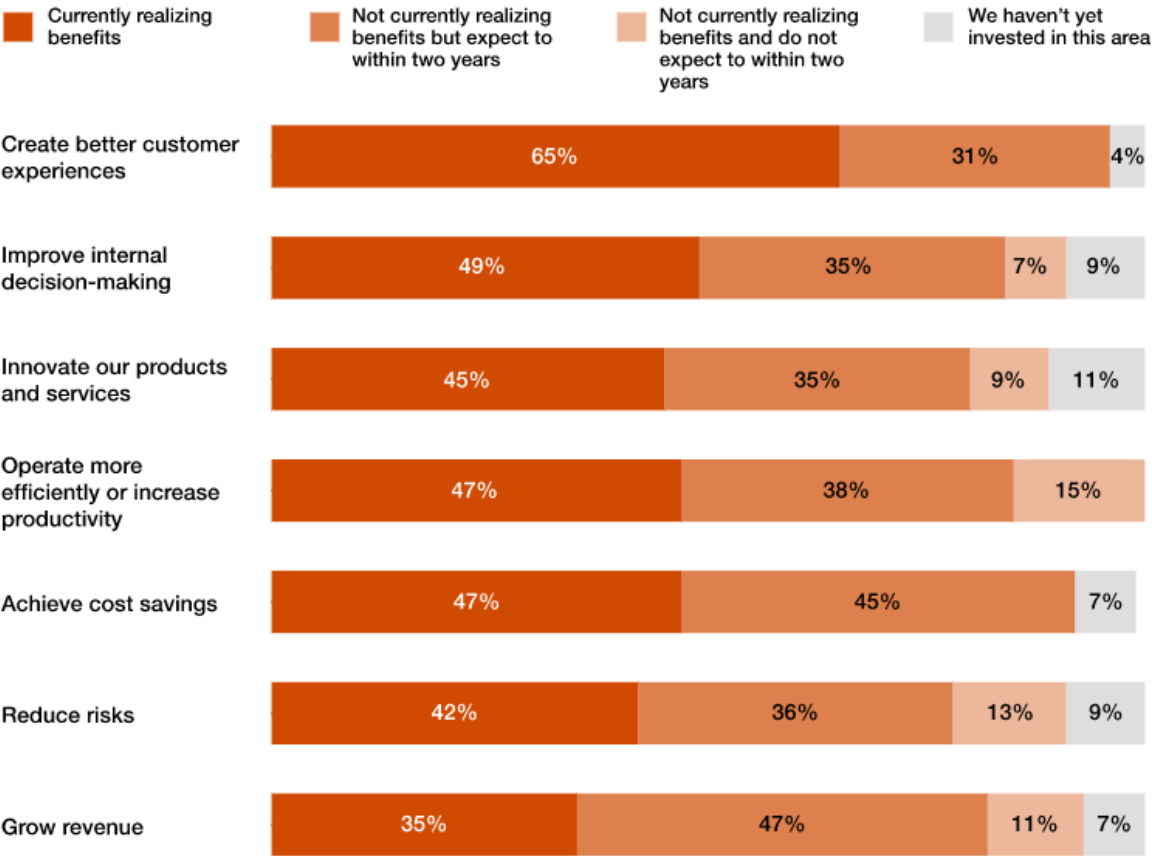
AI & Big Data – The Future of Insurance and Insurtech Technologies

The power and potential of artificial intelligence are evident in every industry today, and the Insurance ecosystem is no exception. Historically, the Insurance industry has been a technology laggard, relying on archaic methodologies involving a sea of paperwork and manual tasks. Today, AI and Machine Learning (ML) trends are ripe to disrupt industry norms, automating arduous administrative back-office tasks, innovating and revolutionizing risk analysis, and optimizing claims management & payment processing.

One of the largest impacts AI brings to the industry is the collection, analysis, and utilization of data to make informed decisions regarding an array of complex areas such as underwriting and pricing. The vast array of data sources and collection methods allow for extreme individualization in a world where consumers are increasingly expecting tailored customer experiences.

The rapid adoption of cutting-edge technologies within the industry, as proved by the wave of funding seen in the Insurtech space, has created an opportunity for insurers to leverage the benefits of AI, ML, Big Data, and more to optimize their operations. Those who leverage technologies to create new products and services, utilize insights coming from the endless supply of data, and reduce costs via process and administration automation are best positioned to reap the benefits of these growing market tailwinds. The below chart, from PwC’s Insurtech Research, shows the biggest areas of improvement thanks to AI.

Where Insurers are Seeing Returns on Investment on Artificial Intelligence



Industry Vertical

Insurtech

Life  
&  
Health

Property  
&  
Casualty

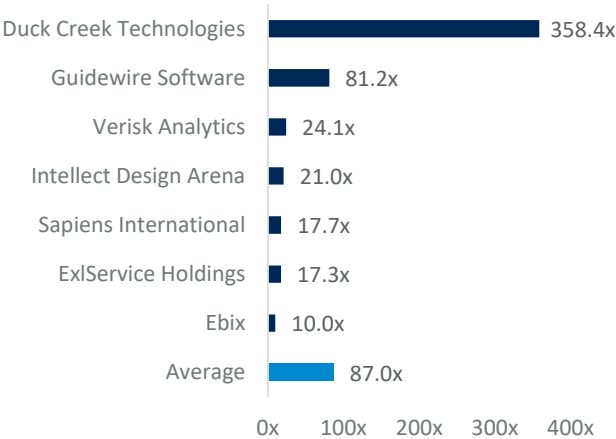
TPAs

Please reach out to 7MA team to get access to the full list.

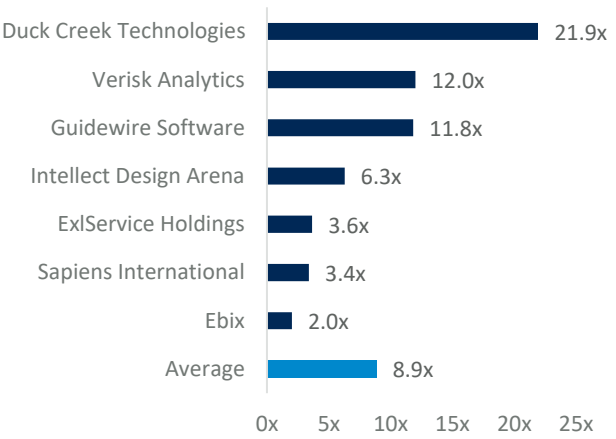
Publicly-traded Insurtech Companies – Q3 2021

Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# of FTEs	Rev / FTE \$k
Intellect Design Arena	1,260	63	211	11%	49%	30%	6.0x	19.9x	4,260	30
Sapiens International	1,555	80	423	18%	41%	19%	3.7x	19.4x	3,438	45
Ebix	1,457	150	913	8%	30%	16%	1.6x	9.7x	9,802	15
ExlService Holdings	4,077	216	1,026	-3%	38%	21%	4.0x	18.8x	31,900	13
Duck Creek Technologies	5,477	15	248	24%	56%	6%	22.1x	361.1x	1,653	331
Guidewire Software	9,227	59	743	0%	50%	8%	12.4x	155.2x	2,942	314
Verisk Analytics	35,458	1,427	2,890	7%	64%	49%	12.3x	24.9x	8,960	396
Average	8,359	287	922	9%	47%	21%	8.9x	87.0x	8,994	163
Median	4,077	80	743	8%	49%	19%	6.0x	19.9x	4,260	45

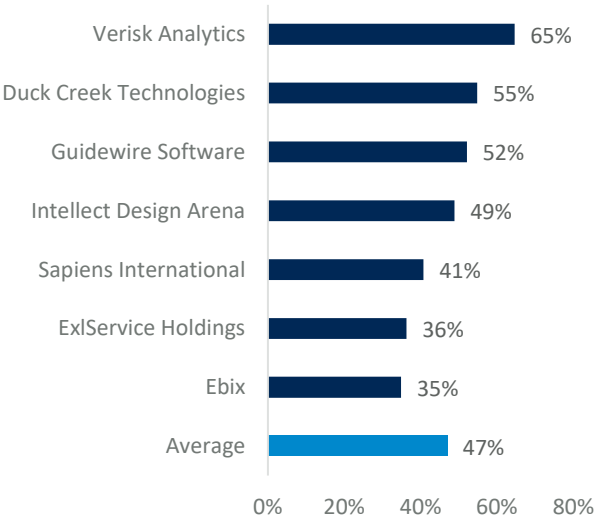
TEV / EBITDA X



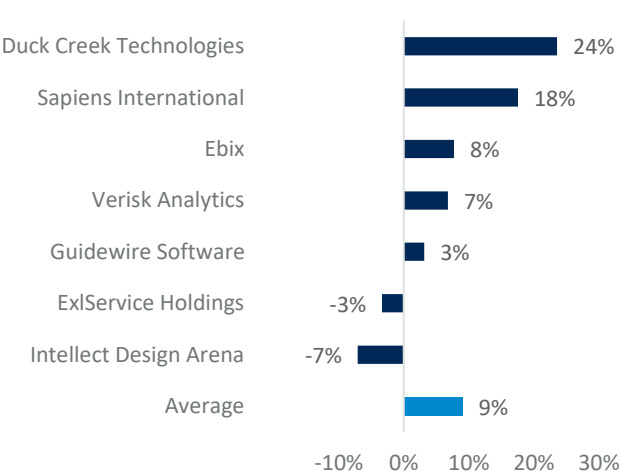
TEV / Rev X










Gross Margin %



Rev Growth YoY



## Q3 2021 M&amp;A Transactions

Date	Target	Buyer / Investor	Target Description
September 2021	 <b>Salty.</b>	 <b>CDK Global.</b>	<ul style="list-style-type: none"> <li>Developer of an embedded insurance platform designed to make the insurance process simple and transparent. The company's platform uses artificial intelligence and machine learning to analyze unique data sources about the buyer and the purchase, enabling carriers and distribution partners to offer a customized policy to provide insurance for a product or service in real-time during the purchase process.</li> </ul>
September 2021	 <b>AVANTIA</b>	 <b>eci</b> building successful businesses	<ul style="list-style-type: none"> <li>Developer of a regulated financial services technology and risk analytics business platform intended to make insurance available to everybody. The company's rating engine and machine learning platform rapidly adapts to new data sources that are optimized to deliver a footprint that digitally quotes most of the UK home market and its retail pricing tools intelligently adapt to market feedback, thus improving the risk and retail pricing engines, enabling a range of pricing strategies and helping customers to avail home insurance in a cost-efficient manner.</li> </ul>
September 2021	 <b>claimsecure</b>	 <b>canada life</b> ™	<ul style="list-style-type: none"> <li>Provider of healthcare management services to private and public businesses. The company operates as a management and technology-based healthcare company, that engages in offering claims management, risk management and plan administrative services.</li> </ul>
August 2021	 <b>abd</b> Insurance & Financial Services	 <b>Newfront</b>	<ul style="list-style-type: none"> <li>Provider of multiline employee benefit insurance services intended to mitigate the risk of an individual. The company offers health insurance, managed services, consulting services in risk management, insurance, human resources, and retirement.</li> </ul>
August 2021	 <b>Brookfield</b>	 <b>AMERICAN NATIONAL</b>	<ul style="list-style-type: none"> <li>American National Group provides insurance services. The company is organized into five reportable segments: life, which provides life insurance; annuity, which consists of fixed, indexed, and variable annuity products; health, which provides medical and credit disability insurance; property and casualty, which consists of personal, agricultural, and commercial insurance; and corporate and other, which consists of net investments not related to insurance.</li> </ul>
July 2021	 <b>Liberty Mutual</b> INSURANCE	 <b>STATE AUTO</b> Insurance Companies	<ul style="list-style-type: none"> <li>State Auto Financial Corp is a property and casualty insurance holding company. The company is engaged in writing personal, business and specialty insurance. It markets its insurance products through the United States.</li> </ul>

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit [www.7mileadvisors.com](http://www.7mileadvisors.com).



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## Notable 7 Mile Transactions













