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Insurance Valuation Quarterly Update

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Financial Services Industry – Insurance Valuation Quarterly Update

Recent Market Developments & Trends

Key Quarterly Developments

- M&A activity in the insurance market continued to accelerate in 2014. According to Capital IQ, the global insurance sector M&A deal volume through December 31, 2014 totaled \$33.6 billion with 691 deals, compared to \$24.8 billion and 601 deals for the same period of 2013, a deal value increase of almost 36.0 percent.
- The recent M&A activity seems driven by acquirer's desire to expand geographically, into either new products and distribution or scale and efficiencies. This trend should continue as sellers become increasingly focused on divesting books of business that do not earn their cost of capital.
- On December 17, 2014, the International Association of Insurance Supervisors ("IAIS") released a draft of proposed risk-based capital standard for internationally active insurance groups. The draft outlines two approaches to test the level of capital; a market-tested approach to valuation, which requires adjustments made to GAAP valuations and valuation utilizing assets and liabilities under existing GAAP rules. The IAIS expects to conduct quantitative field testing in 2015 and 2016.
- Increasing pressure on underlying organic results will continue to drive additional M&A. Whether the pressure on earnings and returns is from new alternative market capacity or from traditional challenges, such as low interest rates, the need for improved capital utilization and operational efficiencies will increasingly stimulate buyers' interest.
- According to Aon Benfield's Market Outlook reinsurer capital grew to \$575 billion, a new record in the industry.

Key Quarterly Trends:

- The market capitalizations of the largest 25 constituents of the insurance industry decreased in the third quarter of 2014, with a average increase of approximately 4.3 percent. An overall trend of increase market capitalization relative to the prior quarter can be observed as 22 of the 25 constituents exhibited a increase in market capitalization. Out of the 22 constituents who experienced increase in market capitalization, Fidelity National Financial exhibited the largest decrease of 24.4 percent.
- Of the three companies that exhibited decreases in market capitalization, one company exhibited a decrease of more than 4.0 percent, AXA Group.
- The S&P 500 increased 4.4% in the fourth quarter. Year-over-year, the S&P improved by 11.4%. The S&P Composite Insurance Index increased by 5.7% in the fourth quarter and 6.2% year-over-year.
- The average price to forward earnings ratio increased approximately 2.2 percent during the fourth quarter to approximately 14.7x.
- In the third quarter of 2014, there were seventeen significant transactions that were announced or closed within the insurance industry based on the search criteria noted below. The largest of which was XL Group plc's acquisition of Caitlin Group Ltd.

Top 25 US Insurance Industry Constituents (1)

Company	Market Capitalization (\$ B)			Price / Tangible Book Value			Price / Earnings			Price / Forward Earnings (2)		
	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014
American International Group, Inc.	75.2	77.1	78.2	0.7	0.7	0.7	10.2	9.0	9.3	11.5	8.9	9.2
MetLife, Inc.	60.4	60.4	61.4	1.2	1.0	1.0	24.3	13.7	11.1	NM	18.5	18.6
AXA Group	67.2	59.6	56.7	1.9	1.3	1.2	12.7	9.9	9.8	12.3	11.1	11.0
Prudential Financial, Inc.	42.7	40.5	41.4	1.2	1.0	1.0	NM	14.2	17.8	NM	NM	NM
ACE Limited	35.2	35.2	38.1	1.5	1.4	1.6	10.1	10.5	11.9	13.1	9.6	10.5
The Travelers Companies, Inc.	33.0	31.8	35.1	1.6	1.5	1.7	11.6	9.5	10.3	14.4	9.6	10.9
Marsh & McLennan Companies, Inc.	26.5	28.5	31.0	NA	NA	NA	20.6	20.3	21.5	22.7	21.6	23.7
The Allstate Corporation	24.8	26.6	29.5	1.3	1.4	1.5	14.1	12.0	11.4	11.7	12.8	14.6
Swiss Re Ltd	31.6	27.2	28.8	1.1	0.9	0.9	8.4	7.4	7.3	8.1	7.2	7.9
Aon plc	25.3	25.5	27.0	NA	NA	NA	25.3	21.8	22.3	28.1	24.8	26.9
AFLAC Inc.	31.1	26.4	27.5	2.1	1.5	1.5	10.2	9.2	9.6	10.9	8.6	9.0
The Chubb Corporation	24.3	21.9	24.4	1.6	1.4	1.5	13.5	11.1	12.1	17.0	10.1	11.4
The Hartford Financial Services Group, Inc.	16.2	16.7	18.0	0.9	0.9	1.0	NM	NM	NM	NM	NM	NM
Progressive Corp.	16.4	14.9	15.9	2.6	2.2	2.3	14.8	13.2	13.3	18.4	13.1	14.0
Principal Financial Group Inc.	14.5	15.4	15.3	2.0	1.9	1.9	17.1	14.7	14.7	19.2	17.8	17.6
Loews Corporation	18.7	15.8	15.7	1.0	0.8	0.8	24.8	26.9	NM	NM	27.2	27.5
Lincoln National Corporation	13.5	14.0	15.0	1.2	1.1	1.1	11.8	10.3	10.3	11.5	11.9	12.8
CNA Financial Corporation	11.6	10.3	10.4	0.9	0.8	0.8	16.4	10.4	11.3	18.4	11.0	11.2
Fidelity National Financial, Inc.	8.0	7.7	9.6	3.8	NA	NA	15.3	27.3	NM	12.2	16.2	20.1
Market Corp.	8.1	8.9	9.5	1.6	1.7	1.6	27.2	NM	NM	22.4	28.3	NM
XL Group plc	9.0	8.8	8.9	0.9	0.9	0.9	11.3	22.6	27.1	15.2	9.1	9.5
Cincinnati Financial Corp.	8.6	7.7	8.5	1.4	1.2	1.3	14.7	18.2	17.9	20.4	15.1	16.6
Unum Group	9.2	8.8	8.8	1.1	1.0	1.1	10.8	10.0	9.9	11.1	10.6	10.8
Willis Group Holdings Public Limited Company	7.9	7.4	7.9	NA	NA	NA	NM	22.5	23.1	NM	20.3	22.0
Everest Re Group Ltd.	7.5	7.4	7.7	1.1	1.0	1.0	8.2	6.5	6.5	9.9	6.4	6.7
Average	25.1	24.2	25.2	1.5x	1.2x	1.3x	15.2x	14.4x	13.7x	15.4x	14.3x	14.7x
Median	18.7	16.7	18.0	1.3x	1.1x	1.1x	13.8x	12.0x	11.4x	13.8x	11.9x	12.1x

(1) Market data provided by Capital IQ, Inc. Selected constituents represent the largest insurance companies based on market capitalization.

NA represents companies with negative book value. NM represents multiples of greater than 30x or less than 0x.

(2) Price/Forward Earnings calculated on a two year forward looking basis, per Capital IQ, Inc.

Fourth Quarter Transactions in the Insurance Industry (1)

Acquirer	Target	Close Date	Announce Date	Purchase Price (\$M)	Equity Value / Book Value	Equity Value / Earnings
Global Indemnity Group, Inc.	American Reliable Insurance Company	1/1/2015	10/16/2014	394		
TipTree Financial Inc.	Fortegra Financial Corporation	12/4/2014	8/12/2014	263	1.2	15.4
Private Buyer	Associated Wholesalers, Inc.	11/30/2014	9/9/2014	257		13.5
Columbia Banking System Inc.	Intermountain Community Bancorp	11/1/2014	7/23/2014	121	1.3	13.5
CB Financial Services, Inc.	FedFirst Financial Corp.	10/31/2014	4/14/2014	55	1.0	46.5
Edservice Holdings, Inc.	Overland Solutions, Inc.	10/24/2014	10/30/2014	53		
Validus Specialty, Inc.	Western World Insurance Group, Inc.	10/2/2014	6/23/2014	690		
Fosun International Limited	Meadowbrook Insurance Group Inc.		12/30/2014	667	0.9	15.1
Assured Guaranty Corp.	Radian Asset Assurance Inc.		12/23/2014	810		
ACE Limited	Fireman's Fund Insurance Company, Inc., High Net Worth		12/18/2014	365		
XL Group plc	Catlin Group Ltd.		12/17/2014	2,950	1.2	9.4
Northwest Bancshares, Inc.	LNB Bancorp Inc.		12/15/2014	181	1.5	24.2
Kemper Corporation	Alliance United Group, Inc.		12/11/2014	70		
Renaissance Corp.	Heritage Financial Group, Inc.		12/10/2014	253	1.5	32.3
BNC Bancorp	Valley Financial Corporation		11/17/2014	101	1.6	15.0
BB&T Corporation	Susquehanna Bancshares, Inc.		11/12/2014	2,492	0.9	17.3
The Blackstone Group L.P.	Philadelphia Financial Group, Inc.		10/29/2014	165		
Average				581.7	1.2	20.2
Median				256.6	1.2	15.3

Notes:

- (1) Transaction data provided by Capital IQ, Inc. Selection criteria: (i) Target/Acquirer is a participant within the US insurance industry, (ii) transaction was announced or closed between 9/30/2014 and 12/31/2014, (iii) Total transaction value is greater than \$50 million, and (iv) Percent sought is greater than 75 percent.

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Financial Services Industry – Insurance Valuation Multiples Update (continued)

Top 20 Property & Casualty Insurance Companies (1)

Company	Market Capitalization (\$ B)			Price / Tangible Book Value			Price / Earnings			Price / Forward Earnings (2)		
	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014
ACE Limited	35.2	35.2	38.1	1.5	1.4	1.6	10.1	10.5	11.9	13.1	9.6	10.5
The Travelers Companies, Inc.	33.0	31.8	35.1	1.6	1.5	1.7	11.6	9.5	10.3	14.4	9.6	10.9
The Allstate Corporation	24.8	26.6	29.5	1.3	1.4	1.5	14.1	12.0	11.4	11.7	12.8	14.6
The Chubb Corporation	24.3	21.9	24.4	1.6	1.4	1.5	13.5	11.1	12.1	17.0	10.1	11.4
Progressive Corp.	16.4	14.9	15.9	2.6	2.2	2.3	14.8	13.2	13.3	18.4	13.1	14.0
CNA Financial Corporation	11.6	10.3	10.4	0.9	0.8	0.8	16.4	10.4	11.3	18.4	11.0	11.2
Fidelity National Financial, Inc.	8.0	7.7	9.6	3.8	NA	NA	15.3	27.3	NM	12.2	16.2	20.1
Market Corp.	8.1	8.9	9.5	1.6	1.7	1.6	27.2	NM	NM	22.4	28.3	NM
XL Group plc	9.0	8.8	8.9	0.9	0.9	0.9	11.3	22.6	27.1	15.2	9.1	9.5
Cincinnati Financial Corp.	8.6	7.7	8.5	1.4	1.2	1.3	14.7	18.2	17.9	20.4	15.1	16.6
W.R. Berkley Corporation	5.9	6.1	6.5	1.4	1.3	1.5	11.5	10.7	10.4	12.2	13.5	14.4
AXIS Capital Holdings Limited	5.4	5.0	5.2	1.1	1.0	1.0	11.3	8.2	7.1	11.9	8.0	8.6
Erie Indemnity Company	3.9	4.0	4.7	5.2	5.1	6.8	24.6	22.6	26.9	24.5	24.6	29.5
AmTrust Financial Services, Inc.	2.4	3.0	4.2	3.7	3.1	3.9	9.2	9.4	10.2	14.0	10.9	15.3
Assured Guaranty Ltd.	4.3	3.6	4.1	0.8	0.7	0.7	8.4	4.3	5.2	NM	5.2	6.0
Catlin Group Ltd.	3.4	3.0	3.8	1.4	1.1	1.4	13.8	6.4	8.2	11.4	8.4	10.8
White Mountains Insurance Group, Ltd.	3.7	3.9	3.8	1.0	1.0	1.0	14.2	10.7	11.0	12.7	12.3	12.3
Old Republic International Corporation	4.4	3.7	3.8	1.2	0.9	1.0	14.3	8.9	9.5	NM	9.1	9.3
Allied World Assurance Company Holdings, AG	3.8	3.7	3.7	1.2	1.1	1.1	16.7	6.4	7.7	8.5	9.2	9.5
First American Financial Corporation	3.0	2.9	3.6	2.9	2.8	3.5	13.6	15.6	17.9	10.2	15.9	19.8
Average	11.0	10.6	11.7	1.9x	1.6x	1.9x	14.3x	12.5x	12.7x	14.9x	12.6x	13.4x
Median	6.9	6.9	7.5	1.4x	1.3x	1.5x	13.9x	10.7x	11.2x	13.6x	10.9x	11.4x

Top 20 Life Insurance Companies (3)

Company	Market Capitalization (\$ B)			Price / Tangible Book Value			Price / Earnings			Price / Forward Earnings (2)		
	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014
MetLife, Inc.	60.4	60.4	61.4	1.2	1.0	1.0	24.3	13.7	11.1	NM	18.5	18.6
Prudential Financial, Inc.	42.7	40.5	41.4	1.2	1.0	1.0	NM	14.2	17.8	NM	NM	NM
AFLAC Inc.	31.1	26.4	27.5	2.1	1.5	1.5	10.2	9.2	9.6	10.9	8.6	9.0
Principal Financial Group Inc.	14.5	15.4	15.3	2.0	1.9	1.9	17.1	14.7	14.7	19.2	17.8	17.6
Lincoln National Corporation	13.5	14.0	15.0	1.2	1.1	1.1	11.8	10.3	10.3	11.5	11.9	12.8
Unum Group	9.2	8.8	8.8	1.1	1.0	1.1	10.8	10.0	9.9	11.1	10.6	10.8
Torchmark Corporation	7.1	6.8	7.0	2.1	1.7	1.6	13.7	13.2	13.5	14.4	13.8	14.3
CNO Financial Group, Inc.	3.9	3.6	3.5	0.8	0.8	0.8	8.8	15.9	NM	21.3	8.2	8.4
StanCorp Financial Group Inc.	2.9	2.7	2.9	1.4	1.2	1.4	14.6	13.0	13.5	21.2	12.3	13.6
Primerica, Inc.	2.4	2.6	2.9	2.0	2.1	2.4	15.2	15.5	17.3	15.8	17.1	19.2
Symetra Financial Corporation	2.2	2.7	2.7	0.8	0.8	0.8	13.3	10.5	10.8	12.7	13.4	13.2
American Equity Investment Life Holding Co.	1.9	1.7	2.2	1.4	0.9	1.0	7.9	13.6	16.0	29.7	6.8	8.6
Fidelity & Guaranty Life	1.1	1.2	1.4	0.8	0.8	0.9	2.6	4.8	8.4	2.6	2.9	8.4
FBI Financial Group Inc.	1.1	1.1	1.4	1.1	0.9	1.2	11.2	10.7	13.4	15.1	10.6	13.8
National Western Life Insurance Company	0.8	0.9	1.0	0.6	0.6	0.6	8.7	8.8	9.3	8.8	9.3	10.2
Kansas City Life Insurance Company	0.5	0.5	0.5	0.7	0.6	0.7	17.0	17.7	18.7	13.3	16.5	17.9
The Phoenix Companies Inc.	0.4	0.3	0.4	0.6	0.6	0.8	NM	NM	6.1	11.9	NM	NM
Citizens Inc.	0.4	0.3	0.4	1.9	1.3	1.5	NM	NM	NM	NM	NM	NM
Independence Holding Co.	0.2	0.2	0.2	1.2	1.0	NM	11.9	18.2	17.7	12.4	17.3	18.1
Pekin Life Insurance Company	0.2	0.2	0.2	1.6	1.7	1.7	26.3	NM	NM	26.3	NM	NM
Average	9.8	9.5	9.8	1.3x	1.1x	1.2x	13.3x	12.6x	12.8x	15.2x	12.2x	13.4x
Median	2.3	2.7	2.8	1.2x	1.0x	1.1x	11.9x	13.2x	13.4x	13.3x	12.1x	13.4x

Top 10 Insurance Brokers (4)

Company	Market Capitalization (\$ B)			Price / Tangible Book Value			Price / Earnings			Price / Forward Earnings (2)		
	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014	12/31/2013	9/30/2014	12/31/2014
Marsh & McLennan Companies, Inc.	26.5	28.5	31.0	NA	NA	NA	20.6	20.3	21.5	22.7	21.6	23.7
Aon plc	25.3	25.5	27.0	NA	NA	NA	25.3	21.8	22.3	28.1	24.8	26.9
Willis Group Holdings Public Limited Company	7.9	7.4	7.9	NA	NA	NA	NM	22.5	23.1	NM	20.3	22.0
Arthur J Gallagher & Co.	6.2	7.2	7.6	NA	NA	NA	25.0	21.5	22.1	29.5	22.0	22.9
Brown & Brown Inc.	4.6	4.6	4.7	NA	NA	NA	21.6	21.6	21.1	24.9	21.7	22.2
Crawford & Company	0.5	0.4	0.5	NA	NA	NA	9.4	11.1	15.0	10.4	9.0	11.2
eHealth, Inc.	0.87	0.43	0.44	NA	6.1	NA	NM	NM	NM	NM	NM	NM
Health Insurance Innovations, Inc.	0.05	0.08	0.06	NA	NA	NA	NM	NM	NM	16.0	NM	NM
The Marketing Alliance, Inc.	0.057	0.034	0.028	4.2	2.7	2.3	16.1	NM	NM	16.3	NM	NM
Arista Investors Corp.	0.001	0.002	0.0007	1.0	1.6	0.7	NM	NM	NM	NM	NM	NM
Average	7.2	7.4	7.9	4.2x	4.4x	2.3x	19.7x	19.8x	20.8x	21.1x	19.9x	21.5x
Median	2.7	2.5	2.6	2.6x	2.7x	1.5x	21.1x	21.5x	21.8x	22.7x	21.7x	22.5x

Notes:

(1) Market data provided by Capital IQ, Inc. Selected constituents represent the largest property & casualty insurance companies based on market capitalization. NA represents companies with negative book value.

NM represents multiples of greater than 30x or less than 0x.

(2) Price/Forward Earnings calculated on a two year forward looking basis, per Capital IQ, Inc.

(3) Market data provided by Capital IQ, Inc. Selected constituents represent the largest life insurance companies based on market capitalization. NA represents companies with negative book value.

NM represents multiples of greater than 30x or less than 0x.

(4) Market data provided by Capital IQ, Inc. Selected constituents represent the largest insurance brokerage companies based on market capitalization. NA represents companies with negative book value.

NM represents multiples of greater than 30x or less than 0x.



Financial Services Industry – Insurance Valuation Multiples Update (continued)

Purchase Price Allocation Benchmarking - Transactions in the Insurance Industry (1)

Allocation of Purchase Price As a Percentage of Excess Consideration (2)

Target	Date	Purchase Price (\$ MM)	Goodwill	Total Intangible Assets	Trade Names / Trademarks	VOBA	Customer Relationships	Technology / Software	Insurance Licenses	Other (3)
Western World Insurance Group, Inc. (4)	10/2/2014	690.0	19.1%	5.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Wright Insurance Group, LLC	5/20/2014	610.2	68.4%	35.3%	0.0%	0.0%	35.1%	0.0%	0.0%	0.2%
Summit Holding Southeast Inc.	4/1/2014	259.0	5.8%	17.0%	0.0%	0.0%	17.0%	0.0%	0.4%	0.0%
The Climate Corporation	11/1/2013	932.0	84.2%	15.6%	0.0%	0.0%	0.4%	15.1%	0.0%	0.0%
Bollinger, Inc.	8/12/2013	334.0	59.0%	40.3%	0.5%	0.0%	39.7%	0.0%	0.0%	0.1%
Beecher Carlson Holdings, Inc.	7/1/2013	364.6	73.4%	28.6%	0.0%	0.0%	27.9%	0.0%	0.0%	0.8%
Sequoia Insurance Company (5)	4/19/2013	60.0	0.0%	19.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Alterra Capital Holdings Limited	5/1/2013	3,304.3	11.2%	5.7%	0.0%	0.0%	4.0%	0.5%	0.8%	0.4%
JEVCO Insurance Company	9/4/2012	530.0	18.5%	17.2%	0.0%	5.5%	11.7%	0.0%	0.0%	0.0%
Hardy Underwriting Bermuda Ltd	7/2/2012	231.0	15.2%	58.9%	3.5%	26.0%	5.6%	0.0%	0.0%	23.8%
Transatlantic Holdings Inc.	3/6/2012	3,512.4	0.0%	100.0%	15.5%	90.1%	0.0%	3.1%	5.9%	13.6%
APS Healthcare, Inc.	3/2/2012	224.5	85.3%	14.7%	1.9%	0.0%	7.5%	4.0%	0.0%	1.2%
Arrowhead General Insurance Agency Superholding Corp	1/9/2012	400.0	69.0%	31.0%	0.0%	30.3%	0.0%	0.0%	0.0%	0.7%
HealthSpring, Inc.	1/1/2012	3,811.0	76.2%	23.8%	0.0%	0.0%	21.3%	0.0%	0.0%	2.5%
InsWeb Corp	12/21/2011	64.3	39.1%	60.9%	0.0%	0.0%	23.4%	1.5%	0.0%	35.9%
Transamerica Re	8/10/2011	1,400.0	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Chaucer Holdings PLC	7/1/2011	546.0	20.4%	79.6%	0.0%	0.0%	0.0%	0.0%	0.0%	79.6%
Prodigy Health Group, Inc.	6/28/2011	600.0	21.8%	78.2%	2.7%	0.0%	33.6%	1.8%	0.0%	0.7%
NY Life Insurance Worldwide Ltd. and NY Life Insurance Ltd	6/28/2011	425.0	37.3%	62.7%	0.0%	62.7%	0.0%	0.0%	0.0%	0.0%
Converge Services Group, LLC	6/22/2011	50.0	43.6%	56.4%	NA	NA	NA	NA	NA	NA
Heath Lambert Group Limited	5/12/2011	158.0	64.4%	35.6%	0.0%	0.0%	34.7%	0.0%	0.0%	0.9%
Premex Group Ltd.	5/10/2011	107.6	35.9%	64.1%	14.8%	0.0%	45.9%	3.3%	0.0%	0.2%
AIG Star Life Insurance Co. Ltd. & AIG Edison Life Insurance Co.	4/1/2011	4,800.0	5.1%	94.9%	0.0%	94.9%	0.0%	0.0%	0.0%	0.0%
Rain and Hail L.L.C.	4/1/2011	1,100.0	19.8%	80.2%	NA	NA	NA	NA	NA	NA
United Investors Life Insurance Company	2/1/2011	364.0	0.0%	100.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
Heartland Crop Insurance, Inc.	2/1/2011	68.5	56.6%	43.4%	NA	NA	NA	NA	NA	NA
American Life Insurance Company	12/31/2010	15,945.1	43.0%	57.0%	0.0%	57.0%	0.0%	0.0%	0.0%	0.0%
Aspen Holdings, Inc.	12/31/2010	172.3	49.0%	51.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%
Direct Response Corporation	12/31/2010	201.6	3.1%	96.9%	0.0%	54.8%	0.0%	0.0%	42.1%	0.0%
Hermitage Insurance Company	12/28/2010	133.0	61.4%	38.6%	0.0%	19.7%	0.0%	0.0%	0.0%	18.9%
AIS Management Corporation	11/1/2010	154.7	34.0%	66.0%	13.9%	0.0%	46.2%	4.4%	0.0%	1.6%
Vanliner Group, Inc.	11/1/2010	131.1	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%
Castlepoint Holdings Ltd.	10/15/2010	559.0	71.1%	28.9%	0.0%	25.5%	0.0%	0.0%	0.0%	3.4%
FutureScripts, LLC and FutureScripts Secure, LLC	9/13/2010	225.5	50.3%	49.7%	9.0%	0.0%	40.7%	0.0%	0.0%	0.0%
Vanbreda International NV	8/31/2010	410.0	52.2%	47.8%	0.0%	0.0%	47.8%	0.0%	0.0%	0.0%
Assured Guaranty Municipal Holdings Inc.	7/1/2010	1,607.4	NA	NA	NA	NA	NA	NA	NA	NA
Alterra Holdings Limited	6/30/2010	1,495.0	0.0%	100.0%	0.0%	0.0%	49.2%	0.0%	50.8%	0.0%
PARIS RE Holdings Ltd.	11/13/2009	1,678.9	39.4%	60.6%	0.0%	0.0%	49.5%	0.0%	0.0%	11.1%
Elliott Special Risks LP	10/1/2009	68.2	61.5%	38.5%	NA	NA	NA	NA	NA	NA
Continental American Insurance Company, Inc.	10/1/2009	100.0	NA	NA	NA	NA	NA	NA	NA	NA
Podiatry Insurance Company of America, Inc.	10/1/2009	120.0	61.3%	38.7%	3.3%	0.0%	8.7%	2.8%	22.7%	1.2%
IPC Holdings Ltd.	7/1/2009	1,652.1	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%
AIM Healthcare Services, Inc.	6/1/2009	440.0	60.9%	39.1%	0.7%	0.0%	34.4%	0.0%	0.0%	4.0%
OneBeacon Insurance Group, Traditional Personal Lines Business	1/2/2009	167.0	8.6%	91.4%	8.1%	0.0%	83.3%	0.0%	0.0%	0.0%
Specialty Underwriters' Alliance, Inc.	1/2/2009	125.2	0.0%	100.0%	0.0%	59.0%	0.0%	0.0%	0.0%	41.0%
Average			35.5%	55.4%	1.9%	18.6%	19.7%	0.9%	5.8%	6.2%
Range of Useful Life (years)					5 to 20	4 to 10	4 to 22	5 to 9	Indefinite	NA
Average Useful Life (years)					11	NA	12	7	Indefinite	NA

Notes:

- (1) Includes 45 acquisitions of insurance companies with purchase price greater than or equal to \$50 million and transaction close dates occurring between January 1, 2009 and December 31, 2014.
- (2) Excess purchase price defined as total consideration less net tangible assets acquired.
- (3) Other includes primarily non-competes and lease intangibles, except for Chaucer, Hardy, and Alterra which primarily consisted of the syndicate capacity indefinite intangible asset from the Lloyd's of London market.
- (4) Detail regarding the acquired intangible assets was not available.
- (5) Detail regarding the acquired intangible assets was not available. Also a gain on purchase of approximately \$12 million was recognized.



Financial Services Industry – Insurance Valuation Multiples Update (continued)

Contacts

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