ONESTOP REPORT

SUNLIFE LIMITED

14-Jan-2024

D&B Hoovers

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SUNLIFE LIMITED

Bristol, United Kingdom

+44-2035679100 · www.sunlife.com ·

On TPS: No

Private Subsidiary · Decision HQ

EMPLOYEES
100 (Here)
100 (Total)

D&B LEGAL STATUS TYPE
Corporation

PARENT
PHOENIX LIFE LIMITED

GLOBAL ULTIMATE
PHOENIX GROUP HOLDINGS PLC

CORPORATE LINKAGE
355 Companies

INDUSTRY
Property and Casualty Insurance

SALES
73.72M
6.15B (Global Ultimate Total)

FISCAL YEAR END
31-Dec-2022

REPORTING CURRENCY
GBP

TOTAL ASSETS
58.44M

D-U-N-S® NUMBER
34-655-3766

ADDRESS

Redcliff Quay120 Redcliff Street
Bristol, BS1 6HU United
Kingdom

(Primary Address)

Latitude: 51.4514

Longitude: -2.59055

Company Summary

Business Description

Sunlife Limited is primarily engaged in underwriting insurance, not elsewhere classified, such as insuring bank deposits and shares in savings and loan associations.

Source: D&B

Industry

D&B HOOVERS INDUSTRIES
Property and Casualty Insurance

ANZSIC 2006
6322 - General Insurance

US 8-DIGIT SIC
63990000 - Insurance carriers, nec

ISIC REV 4
6512 - Non-life insurance

NACE REV 2
651 - Insurance

View All

NAICS 2022
524128 - Other Direct Insurance (except Life, Health, and Medical) Carriers

UK SIC 2003
6603 - Non-life insurance

UK SIC 2007
651 - Insurance

US SIC 1987
6399 - Insurance Carriers, Not Elsewhere Classified

Company Identifiers

D-U-N-S® NUMBER
346553766

LEI NUMBER
2138003PPIEA27377A59

COMPANIES REGISTRY OFFICE NUMBER (GB)
05460862

FINANCIAL CONDUCT AUTHORITY REFERENCE NUMBER (GB)
769427

Corporate Highlights

PARENTD-U-N-S® NUMBER
227086667

GLOBAL ULTIMATED-U-N-S® NUMBER
224422029

DOMESTICULTIMATED-U-N-S® NUMBER
224422029

AUDITOR
Ernst & Young LLP

SALES 1 YEAR GROWTH
(30.75)%

EMPLOYEES 1 YEAR GROWTH
5.26%

YEAR FOUNDED
1900

PRESCREEN SCORE
LOW RISK

Spend Capacity

99

HIGHEST

Highest Spend (99) Lowest Spend (0)

Growth Trajectory

GROWING	STABLE	SHRINKING
Increasing demand	Needs unlikely to change	Decreasing demand

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Corporate Overview

Key ID ^{SM} Number: 51430712

Key Corporate Relationships

AUDITOR

Ernst & Young LLP, Auditor History, Ernst & Young LLP, 31-Dec-2022, GBP(mil), Audit Fees:, 0.0, Non Audit Fees:, 0.0, Audit Fiscal Year:, 12-31-2022

Industry Codes

ANZSIC 2006

6322 - General Insurance (Primary)

6420 - Auxiliary Insurance Services

ISIC REV 4

6512 - Non-life insurance (Primary)

6629 - Other activities auxiliary to insurance and pension funding

NACE REV 2

651 - Insurance (Primary)

6622 - Activities of insurance agents and brokers

NAICS 2022

524128 - Other Direct Insurance (except Life, Health, and Medical) Carriers (Primary)

524210 - Insurance Agencies and Brokerages

UK SIC 2003

6603 - Non-life insurance (Primary)

6720 - Activities auxiliary to insurance and pension funding

UK SIC 2007

651 - Insurance (Primary)

6622 - Activities of insurance agents and brokers

US 8-DIGIT SIC

63990000 - Insurance carriers, nec (Primary)

64110000 - Insurance agents, brokers, and service

US SIC 1987

6399 - Insurance Carriers, Not Elsewhere Classified (Primary)

6411 - Insurance Agents, Brokers, and Service

Business Description

Sunlife Limited is primarily engaged in underwriting insurance, not elsewhere classified, such as insuring bank deposits and shares in savings and loan associations.

Source: D&B

Financial Summary

Financials In	GBP(mil)	1 Year Growth
Sales	73.7, Net Income:, 13.6	-30.7%
Assets	58.4, Current Assets:, 56.7, Fixed Assets:, 1.8, Total Liabilities:, 28.0, Issued Capital:, 5.0, Working Capital:, 45.8, Net Worth:, 30.4	NA
Date of Financial Data	31-Dec-2022	

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Triggers

NEWS: NON-CLASSIFIED

Bristol financial services firm rebrands with modernised logo

12 days ago • 2-Jan-2024 • 3:43 PM

SunLife's history can be traced back to 1810, when the Sun Life Assurance Society was formed from the existing Sun Fire Office A Bristol-based financial services firm has announced its rebrand for 2024, complete…

Companies Mentioned: SUNLIFE LIMITED, Sun Life Assurance
Contacts Mentioned: Mark Screeton

DATACHANGE: LIABILITIES DECREASE

SUNLIFE LIMITED liabilities total has decreased -18.8%

7 months ago • 5-Jun-2023 • 8:09 PM

Liabilities total has decreased from 34.5 to 28.0 GBP (mil) for SUNLIFE LIMITED

Companies Mentioned: SUNLIFE LIMITED

DATACHANGE: REVENUE DECREASE

SUNLIFE LIMITED revenue total has decreased -30.7%

7 months ago • 5-Jun-2023 • 8:09 PM

Revenue total has decreased from 106.5 to 73.7 GBP (mil) for SUNLIFE LIMITED

Companies Mentioned: SUNLIFE LIMITED

DATACHANGE: ASSETS DECREASE

SUNLIFE LIMITED assets total has decreased -28.0%

7 months ago • 5-Jun-2023 • 8:09 PM

Assets total has decreased from 81.2 to 58.4 GBP (mil) for SUNLIFE LIMITED

Companies Mentioned: SUNLIFE LIMITED

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Closest Industry Peers

ARKEL LIMITED

Bristol, United Kingdom • +44-2037419527
Property and Casualty Insurance
Private • Subsidiary
D-U-N-S: 22-345-2719

Sales GBP:	1.16M
Assets:	4.89M
Employees (Here):	7
Employees (Total):	7

0.08 Miles Away

ASSURED TRAVEL SOLUTIONS LTD

Bristol, United Kingdom • +44-7933535979
Property and Casualty Insurance
Private • Independent
D-U-N-S: 21-990-0691

Sales GBP:	167.31K
Assets:	323.20K
Employees (Here):	5
Employees (Total):	5

0.13 Miles Away

EUROPEAN CLEAN ENERGY FUND, L.P.

Bristol, United Kingdom
Property and Casualty Insurance
Partnership • Independent
D-U-N-S: 21-686-7802

Sales GBP:	132.49K
Employees (Here):	3
Employees (Total):	3

0.14 Miles Away

CAPITAL FUND II

Bristol, United Kingdom
Property and Casualty Insurance
Partnership • Parent • Headquarters • DecisionHQ
D-U-N-S: 23-420-5156

Sales GBP:	1M
Employees (Total):	8

0.16 Miles Away

CAPITAL FUND I

Bristol, United Kingdom
Property and Casualty Insurance
Partnership • Independent
D-U-N-S: 23-420-4498

Sales GBP:	132.49K
Employees (Here):	3
Employees (Total):	3

0.16 Miles Away

GREAT AMERICAN INTERNATIONAL INSURANCE (UK) LIMITED

Bristol, United Kingdom • +44-1179142070
Property and Casualty Insurance
Private • Subsidiary
D-U-N-S: 77-267-3539

Sales GBP:	1.59M Ⓐ
Assets:	40.59M
Employees (Here):	24
Employees (Total):	24

0.19 Miles Away

The National Insurance And Guarantee Corporation Limited

Bristol, United Kingdom
Property and Casualty Insurance
Private • Branch
D-U-N-S: 64-706-7297

Employees (Here):	12

0.22 Miles Away

AIG EUROPE (SERVICES) LIMITED

Bristol, United Kingdom
Property and Casualty Insurance
Private • Branch
D-U-N-S: 73-713-0682

0.24 Miles Away

MAMG SERVICES LIMITED

Bristol, United Kingdom • +44-1245209910
Property and Casualty Insurance
Private • Subsidiary
D-U-N-S: 22-237-3412

Sales GBP:	30K Ⓐ
Assets:	26.50K
Employees (Here):	3
Employees (Total):	3

0.24 Miles Away

ENVELOP RISK ANALYTICS LIMITED

Bristol, United Kingdom • +44-772653380
Property and Casualty Insurance
Private • Parent • Headquarters • DecisionHQ
D-U-N-S: 22-227-7325

Sales GBP:	9.01M Ⓐ
Assets:	83.97M
Employees (Total):	26

0.26 Miles Away

JELF INSURANCE BROKERS LIMITED

Bristol, United Kingdom • +44-3458725060
Property and Casualty Insurance
Private • Branch • DecisionHQ
D-U-N-S: 21-880-7169

0.27 Miles Away

GALLAGHER RISK & REWARD LIMITED

Bristol, United Kingdom • +44-8000622345
Property and Casualty Insurance
Private • Branch
D-U-N-S: 22-824-7570

0.27 Miles Away

AXA INSURANCE UK PLC

Bristol, United Kingdom
Property and Casualty Insurance
Private • Branch
D-U-N-S: 21-227-8936

0.37 Miles Away

BOI CAPITAL FUNDING (NO.4) LP

Bristol, United Kingdom
Property and Casualty Insurance
Partnership • Independent
D-U-N-S: 21-686-8009

Sales GBP:	132.49K
Employees (Here):	3
Employees (Total):	3

0.37 Miles Away

BOI CAPITAL FUNDING (NO.1) LP

Bristol, United Kingdom
Property and Casualty Insurance
Partnership • Independent
D-U-N-S: 21-686-6829

Sales GBP:	132.49K
Employees (Here):	3
Employees (Total):	3

0.37 Miles Away

HARGREAVES LANSDOWN INSURANCE BROKERS LIMITED

Bristol, United Kingdom • +44-1179009000
Property and Casualty Insurance
Private • Subsidiary
D-U-N-S: 29-510-8757

Sales GBP: 1.29M
Assets: 1K
Employees (Here): 15
Employees (Total): 15

0.40 Miles Away

WILLIS LIMITED

Bristol, United Kingdom
Property and Casualty Insurance
Private • Branch
D-U-N-S: 21-558-8205

0.44 Miles Away

Covea Insurance

Bristol, United Kingdom • +44-8449029580
Property and Casualty Insurance
Private • Independent
D-U-N-S: 22-260-0788

Sales GBP: 77.40K
Employees (Here): 4
Employees (Total): 4

0.44 Miles Away

HOWDEN BROKING GROUP LIMITED

Bristol, United Kingdom • +44-1172051800
Property and Casualty Insurance
Private • Branch
D-U-N-S: 22-334-7839

0.53 Miles Away

CASTLEMEAD INSURANCE BROKERS LIMITED

Bristol, United Kingdom • +44-1179453900
Property and Casualty Insurance
Private • Subsidiary • DecisionHQ
D-U-N-S: 29-935-4159

Sales GBP: 1.57M
Assets: 2.74M
Employees (Here): 20
Employees (Total): 20

0.65 Miles Away

WAUSAU INSURANCE COMPANY (U.K.) LIMITED

Bristol, United Kingdom • +44-2037580000
Property and Casualty Insurance
Private • Subsidiary • DecisionHQ
D-U-N-S: 28-885-7709

Sales GBP: 0.59M
Employees (Here): 2
Employees (Total): 2

0.83 Miles Away

GUARDIAN ROYAL EXCHANGE PUBLIC LIMITED COMPANY

Bristol, United Kingdom
Property and Casualty Insurance
Private • Branch
D-U-N-S: 36-494-0432

0.86 Miles Away

ARAG PLC

Bristol, United Kingdom • +44-1179171680
Property and Casualty Insurance
Public • Subsidiary • Headquarters • DecisionHQ
D-U-N-S: 76-667-6183

Sales GBP: 16.96M
Assets: 52.23M
Employees (Total): 146

0.88 Miles Away

ARAG ALLGEMEINE VERSICHERUNGS-AG - BRANCH UNITED KINGDOM

Bristol, United Kingdom • +44-1179171680
Property and Casualty Insurance
Private • Subsidiary • DecisionHQ
D-U-N-S: 22-236-0335

Sales GBP: 174.08M
Assets: 399.79M
Employees (Here): 167
Employees (Total): 167

0.88 Miles Away

SEVERN SEDATION AND SURGERY LTD.

Bristol, United Kingdom
Property and Casualty Insurance
Private • Independent
D-U-N-S: 23-025-0948

Sales GBP: 258.52K
Employees (Here): 3
Employees (Total): 3

0.89 Miles Away

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Industry Overview

Powered by First Research

Insurance Carriers

Fast Facts

Companies in this industry underwrite insurance policies and annuities that are paid out in the case of death, illness, injury, or damage to property. Major companies include AIG, Anthem, MetLife, Prudential Financial, State Farm, and UnitedHealthcare (all based in the US), along with Allianz (Germany), Assicurazioni Generali (Italy), AXA (France), and Ping An Insurance (China).

Global insurance premiums are poised to exceed $7 trillion in 2022, according to Swiss Re. Insurance carriers are expanding into emerging markets such as China and India, where rising middle-class populations have spawned growing demand for insurance products. Other areas of the world are still facing economic uncertainty, which impacts insurance sales.

The US insurance carriers industry includes nearly 32,000 establishments (single-location companies and units of multi-location companies) with combined annual revenue of about $2 trillion.

Insurance agents and brokers are covered in a separate profile.

View A Glossary of Acronyms

Industry Growth Rating HIGH

LOW MEDIUM **HIGH**

Reflects snapshot of industry performance vs. industry risk over the next 12 to 24 months relative to other U.S. industries, along with short descriptions of vital demand and risk factors influencing the industry. Use to quickly determine the overall projected health of an industry.

- Demand: Driven by demographics and business transactions
- Need good risk assessment
- Risk: Economic slumps and catastrophes

View Financial Information
View Challenges, Trends & Opportunities

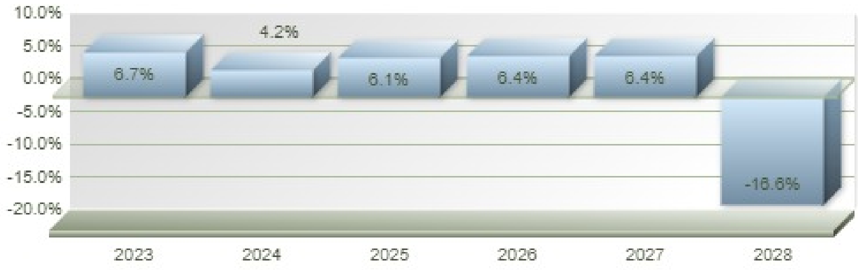
Industry Indicators

US corporate profits, an indicator of corporate demand for insurance, fell 6.50% in the second quarter of 2023 compared to the same period in 2022.US personal income, which drives consumer ability to pay for insurance, rose 4.70% in September 2023 compared to the same month in 2022.Total US revenue for insurance carriers rose 6.30% in the second quarter of 2023 compared to the previous year.

Industry Forecast

Revenue (in current dollars) for US insurance carriers is forecast to grow at an annual compounded rate of 6% between 2023 and 2027, based on changes in physical volume and unit prices.

Data Published: August 2023.



First Research forecasts are based on INFORUM forecasts that are licensed from the Interindustry Economic Research Fund, Inc. (IERF) in College Park, MD. INFORUM's "interindustry-macro" approach to modeling the economy captures the links between industries and the aggregate economy.

Top Challenges & Talking Points

Fluctuating Investment Income

The revenue of insurance companies is highly dependent on investment income, which is subject to market volatility.

How does the company manage shifts in revenue due to economic conditions?

Cybersecurity

Cybersecurity became the top distribution concern for many insurance companies.

What was the top distribution concern for the company?

Rates Depend on Regulators

Insurers have difficulty forecasting future claims for a variety of coverages, including auto and health insurance.

What difficulties does the company face requesting rate increases from legislators?

View More Business Challenges

Top Opportunities & Talking Points

Digitization

Another way for insurance companies to future-proof their business is through digitization of insurance products and services.

How can the company future-proof its business?

Retirement Income Products

Variable annuities provide investors fixed payments that kick in when funds perform poorly, offering downside protection.

How is the company benefiting from or taking advantage of e-commerce and e-business opportunities?

Attracting Younger Enrollees

Health care reform requirements for Americans are bringing young, healthy enrollees into the pool, balancing out more expensive seniors.

How is the company positioning itself to take advantage of opportunities created by aging customers?

View More Industry Opportunities

Executive Talking Points

Chief Executive Officer - CEO

Companies develop new insurance plans with a variety of options and can now sell other financial services, as a result of newer regulation.

CEO: How important is new product development to the company's strategy?

Chief Financial Officer - CFO

Insurance companies must set aside reserves against claims on insurance they have in force, but the process of estimating sufficient reserves is complex.

CFO: How does the company manage its reserves?

Chief Information Officer - CIO

Websites can allow consumers to make investment transactions, order prescriptions, or see the progress of an insurance claim.

CIO: What plans does the company have to expand consumer online access?

Human Resources - HR

Firms motivate investment managers, insurance agents, risk managers, and health care experts, for example, with a variety of financial incentives.

HR: How important is having different compensation plans for various employee groups?

VP Sales/Marketing - Sales

Websites can enable consumer access to policy descriptions, applications, and customer service functions.

Sales: What plans does the company have for using the Internet to expand sales?

View More Talking Points & Executive Insight

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Industry Description

Powered by First Research

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Global insurance premiums are poised to exceed $7 trillion in 2022, according to Swiss Re. Insurance carriers are expanding into emerging markets such as China and India, where rising middle-class populations have spawned growing demand for insurance products. Other areas of the world are still facing economic uncertainty, which impacts insurance sales.

The US insurance carriers industry includes nearly 32,000 establishments (single-location companies and units of multi-location companies) with combined annual revenue of about $2 trillion.

Insurance agents and brokers are covered in a separate profile.

Competitive Landscape

Demand is driven by demographics and commercial transactions, as well as by legal or financial requirements affecting customers. Consumers are usually required by states to buy auto insurance and by lenders to buy homeowners insurance, for example. Life insurers face an aging population, which could result in rising claims. The profitability of individual companies depends on effective marketing and on the ability to accurately estimate future payments. Large companies have big economies of scale in administration and in access to capital, as well as advertising and marketing. Small companies can compete successfully by specializing in particular products or industries. The US industry is concentrated: the 50 largest companies generate about 65% of revenue. Concentration is higher in some industry segments.

The competitive landscape for health insurance companies around the globe has been altered by payment reform efforts, including US efforts to extend health care coverage to more people. Elements of the US Affordable Care Act include expanded state Medicaid programs, elimination of some exclusions such as pre-existing conditions, and efforts to tighten coverage and payment rates. Managed care companies compete for customers in new government-run health exchanges, where small companies and individuals can buy health care coverage.

Products & Operation

Major services include health and accident insurance, generating most of the industry revenue (about 45%), followed vehicle property and liability insurance policies (about 15%). Other products include pensions and annuities (about 10%).

Health insurance includes HMO (closed system), PPO (open access), and POS (limited network) medical plans. HMOs require primary care doctors to act as gatekeepers for other medical services. PPO and POS plans give consumers various levels of provider choice but can come with higher deductibles and copayments or lower reimbursements. Plans are typically sold as employer group policies. Individual health policies have become more popular in recent years, in part because of health reform mandates included in the Affordable Care Act.

Life insurance includes single or joint policies, whole life, term life, or variable life policies, among other products. Term policies are the most straightforward life insurance product because a premium is paid solely in exchange for the possibility that the insurance holder will die during the term of the policy; any investment income is kept by the insurance company. Most other life insurance policies include some type of investment feature and therefore have higher premiums. Annuities (fixed, variable, deferred, and payout) are almost entirely an investment product, with a large upfront premium or installments, that typically pay periodic investment-type returns.

Property/casualty (P/C) consumer lines cover homes, cars, and other personal property. Commercial lines provide coverage for company assets and industrial properties. Standard personal lines include auto, home, and property coverage; for businesses, standard lines may cover property, medical malpractice, workers compensation, and product liability. Specialty business lines may cover specific industries such as aviation and marine, or special circumstances such as kidnap and ransom, computer theft, or directors and officers.

Most P/C policies feature a choice between higher premiums and higher deductibles -- the amount of a loss that the policyholder absorbs before insurance coverage begins. Many P/C policies provide different levels of coverage for losses of different sizes, and include "stop-loss"

provisions that limit the exposure of the insurer.
Title insurance carriers provide policies that protect homeowners, other property owners, and real estate creditors. Title policies are issued after property sale or mortgage refinancing transactions, following a title search to uncover any existing liens, restrictions, or conflicts of ownership.
Reinsurance is coverage purchased by insurers to assume the risk on existing policies as a hedge against catastrophic loss.
More insurance companies offer financial planning services and products to their customers since the adoption of the Gramm-Leach-Bliley Financial Services Modernization Act in 1999, which deregulated the financial services industry and allowed insurance companies to sell financial products.
Technology
Insurance carriers are highly dependent on technology for underwriting, account management, policy administration, billing, and claims processing, among other needs. Risk management and predictive modeling tools, which are essential in helping insurers develop products and pricing standards, are becoming increasingly sophisticated. Through predictive analytics, companies can use big data to forecast events using techniques such as data mining, statistical modeling, and machine learning, according to National Association of Insurance Commissioners (NAIC). SNS Telecom and IT reported that companies have invested around $2 billion in big data tools and is projected to grow into about $3.6 billion by 2021. Moreover, the use of big data in insurance companies showed positive results such as 30% better access to services, up to 70% cost savings, and 60% higher fraud detection rates as reported by Yes Magazine.
Requirements for electronic health records (EHR), established in the 2009 American Recovery and Reinvestment Act, mean health insurance companies must ensure their IT systems speak to technology used by doctors and hospitals, as well as the technologies used in federal, state, and private online insurance exchanges established under the 2010 Affordable Care Act.
Companies are developing online customer portals and mobile applications that allow customers to make payments, view and adjust policy details, and access claims data. Some companies have integrated artificial intelligence (AI) and bots in their mobile and web-based application to offer products. Some companies are allowing customers to purchase policies directly online. Dealing with sensitive customer data requires carriers to guard against data security breaches.
Some auto insurance carriers are adopting telematics to personalize policies and improve risk assessment. Companies such as Progressive and Allstate offer telematics devices that are installed in vehicles to monitor driving habits. Customers that practice safe driving can gain insurance discounts. By 2030, 70% of light-duty vehicles will be connected to the internet, according to Statista. This will provide insurance companies access to more real-time data that can be used for creating better risk profiles and policies.

Sales & Marketing

Insurance is marketed and sold to diverse target market through company sales force and independent agents and brokers. Individual life, health, home, and auto insurance policies are more likely to be sold by agents, while commercial and industrial coverage is usually sold by a company sales force or a broker.
Companies may use telemarketing, direct mail, and online, TV, and print advertising to reach consumers. On the commercial side, companies often maintain relations with brokers that ask insurers to bid for business from customers. Marketing efforts focus both on new production and policy retention.
Calculating future claims (set aside as loss reserves or liabilities) is crucial in determining the size of the premiums that an insurance company charges customers. The calculations also have a large effect on reported financial performance because additions to the loss reserve are income deductions. The annual loss ratio for a property/casualty insurer (the ratio of losses to premiums) is often between 65% and 75%. Medical loss ratios are typically about 85%.
To calculate loss reserves, insurance companies calculate the incidence of a claim (the odds that a claim will occur) and the size of the claim that might be paid. When the incidence and claim size can be estimated with good accuracy, the insurance company can afford to charge a relatively low fixed premium for a policy that extends many years. When either incidence or claim size can't be forecast with reliability, premiums may be higher, or adjustable, or the policy term may be short.

Finance & Regulation

Typically, insurance companies have a large cash flow and large receivables from policyholders and agents. Company liquidity is typically from premiums, investment and fee income, investment maturities, and internal and external borrowings among others. Liquid investments are converted to cash and used to pay for claims, commissions, administrative expenses, purchases of investments, and other financing activities. Company revenue depends on investment income, which is subject to market volatility. The industry is highly automated and many companies have substantial investments in computer equipment. The industry is capital-intensive: average annual revenue per worker in the US is about $1.3 million.

The US industry has a working capital turnover ratio of about 10%. Accounts receivable is an average of 22 day's sales since insurance coverage often begins before premiums are collected. Exposure to catastrophic weather, accidents, pandemics, or other unexpected events can cause extraordinary losses when settlements exceed operating cash flows. Insurers often purchase reinsurance coverage to offset the impact of catastrophic events.

Regulation

The insurance industry in the US is regulated at the state level. State insurance commissions typically license insurance companies to do business in their state, approve premium rates and loss reserves, dictate the types of investments companies can make, and require that companies keep statutory accounting books in addition to their regular accounting systems. State regulatory authorities establish standards and coordinate regulatory oversight through participation in the National Association of Insurance Commissioners (NAIC). Insurers are also subject to regulation from federal agencies including the Financial Industry Regulatory Authority (FINRA) and the Centers for Medicare and Medicaid Services (CMS). The ability of insurance companies to be able to pay future claims is rated by AM Best and other rating agencies.

The federal Gramm-Leach-Bliley Act of 1999 removes regulatory barriers prohibiting insurance companies from offering financial services products and vice versa. Most large insurance companies now have financial service affiliates. The law has also encouraged the demutualization trend, with many insurance companies that were formerly owned by their policyholders ("mutual" insurance companies) converting to stock ownership.

The Dodd-Frank finance reform of 2010, approved in the wake of the late-2000s financial crisis, increases government oversight of the finance and insurance industries with the aim of preventing the collapse of major institutions. Though focused on banks, the law also called for new regulations of insurer risk and capital management practices, primarily by establishing the Federal Insurance Office (FIO) and by revising certain reinsurance and surplus lines regulations. The FIO monitors insurance lines and is studying ways to improve and modernize industry regulation at a federal level.

Under provisions of the?Affordable Care Act?of 2010 (ACA), health insurers that don't meet the standard medical loss ratio (MLR) are required to give rebates to policyholders. The MLR is the percentage of insurance premium dollars spent on reimbursement for clinical services and activities to improve health care quality vs. the amount used for administrative purposes. The MLR for large companies is 85% and 80% for small companies, according to the National Association of Insurance Commissioners (NAIC).

Working Capital Turnover by Company Size

The working capital turnover ratio, also known as working capital to sales, is a measure of how efficiently a company uses its capital to generate sales. Companies should be compared to others in their industry.

FINANCIAL INDUSTRY DATA PROVIDED BY MICROBILT CORPORATION COLLECTED FROM 32 DIFFERENT DATA SOURCES AND REPRESENTS FINANCIAL PERFORMANCE OF OVER 4.5 MILLION PRIVATELY HELD BUSINESSES AND DETAILED INDUSTRY FINANCIAL BENCHMARKS OF COMPANIES IN OVER 900 INDUSTRIES (SIC AND NAICS). MORE DATA AVAILABLE AT

WWW.MICROBILT.COM.

Regional & International Issues

Global insurance premiums are poised to exceed $7 trillion in 2022, according to Swiss Re. Insurance carriers are expanding into emerging markets such as China and India, where rising middle-class populations have spawned growing demand for insurance products. Other areas of the world are still facing economic uncertainty, which impacts insurance sales. The largest non-US insurance firms by assets include Allianz (Germany), Assicurazioni Generali (Italy), AXA (France), and Ping An Insurance (China).

Some global insurance companies may target?emerging markets?as a way to grow. China's rising wealth is creating more demand for insurance, specifically life and property insurance, as the upwardly mobile look to secure their future and their possessions. Market penetration potential for insurance agencies is strong and?growth in online customers?will help distribute products. Western firms may increasingly partner with domestic insurers to tap into China's underserved market. Improved business sentiment and economic growth in India are driving insurance premium growth. Indian life insurance industry is expected to grow at 6.6% in 2022 and further grow at 7.1% in 2023, according to a Hindustan Times report.

Growth is more challenging in mature markets. Europe's aging population has paved the way for insurers to provide products and services in the health and retirement sectors. However, European life and other insurers are facing volatile economic and political issues. Also, the European insurance market is concentrated: the UK, France, Germany, and Italy together account for about two-thirds of the market, according to Insurance Europe.

New risk-based standards in the European Union, known as Solvency II, aim to better match capital requirements to the risks insurers face. Other nations in the Americas, Asia, and Africa also are implementing new solvency standards.

The International Association of Insurance Supervisors (IAIS) is establishing standards that promote global financial stability, market conduct, and consistent supervision of the insurance industry. Insurers face pressure for stricter regulations from additional organizations including International Monetary Fund, the Financial Stability Board, and the International Accounting Standards Board. Other key regulatory concerns are transparency of business conduct toward customers and improving cybersecurity and data privacy.

In the US, new insurance business tends to follow population increases and economic growth. Population grew the most between 2020 and 2021 in Texas, Florida, Arizona, and North Carolina. State laws differ, and insurance companies generally flock to states with the most favorable regulatory climates. California, Florida, Texas, New York, Pennsylvania, and Illinois have the most insurance carrier establishments.

Human Resources

Jobs with insurance carriers are of three major types: clerical, investment management, and sales. Many jobs require special skills, such as math and accounting, which is reflected in average hourly earnings for the US industry that are moderately higher than the national average. Employee turnover is significantly lower than the US average. On-the-job injuries are significantly lower than the national average.

Industry Employment Growth - Bureau of Labor Statistics

Average Hourly Earnings & Annual Wage Increase - Bureau of Labor Statistics

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Quarterly Industry Updates

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Insurance Carriers

SEP 06
2023

Opportunity: Patient Protections in Medicare Payment Installment Plan

The Centers for Medicare and Medicaid Services (CMS) released proposed guidance on the Medicare Prescription Payment Plan (MPPP) on August 21, according to The Alliance for Aging Research. The MPPP will allow Medicare Part D beneficiaries to pay out-of-pocket costs for prescription drugs in monthly installment payments beginning in 2025. Companies may need to develop ways to ensure that the beneficiaries can have access to the MPPP.

Industry Impact

Insurance companies may need to collaborate with other organizations to create programs helping beneficiaries afford their medications.

MAY 30
2023

Challenge: Medicare Redetermination

Insurance carriers are doing their part to guide and assist their members on the imminent redetermination of the US government on its Medicaid program. Members and organizations are concerned as the auto-enrollment in the Medicaid program will be waived with the redetermination of the US government. Mass disenrollments is expected with the decision on the redetermination, according to the Kaiser Family Foundation (KFF). Leading insurance carriers such as Aetna, Arkansas Blue Cross and Blue Shield, and CalOptima, among others, are investing in the improved assistance for members through the redetermination process. Other efforts include telephone and in-person assistance and alternative financial assistance as well.

Industry Impact

Other insurance carriers may start increasing their efforts and investments to assist members through the Medicaid redetermination process.

FEB 27
2023

Trend: Rise in Consumer Confidence

A survey from the Federal Reserve Bank of New York revealed that consumers are more optimistic about their finances in the coming year despite economic woes, according to American Banker. The national survey of 1,300 household heads expecting better prospects has increased slightly to 26%, a significant improvement from last summer. Consequently, banks such as Bank of America, Citigroup, JPMorgan Chase, and Wells Fargo considered the survey results a good sign for the reporting of the fourth quarter earnings of 2022. However, lower-income households may experience a negative impact if inflation continues. US consumers and the overall economy have proved to be resilient as they maintain large cushions of stimulus funds and savings during the pandemic. Consumer and business spending may continue to advance in early 2023 and sustain growth, with the overall credit environment remaining healthy.

Industry Impact

Insurance companies may expect a positive performance as consumer and business spending continues to improve in early 2023.

NOV 28
2022

Trend: Global Travel Insurance Market

The global travel insurance market is forecast to reach about 100 billion by 2030 at a compound annual growth rate (CAGR) of 25% during the 2021-2030 forecast period, according to Spherical Insights & Consulting. The travel industry is growing with the increased budget and luxury accommodations in the past few years. As more people travel for leisure, the need for travel insurance is also increasing. Moreover, the World Health Organization (WHO) has reported around 1.5 billion people travel yearly, and a figure that is projected to increase in the coming years. The increasing demand for tourism is expected to drive the market's growth.

Industry Impact

Companies may need to follow strict government policies related to travel and offer customers insurance policies that cover travel to fuel growth in the market.

Quarterly Update Question

How can the company provide better services?

The Centers for Medicare and Medicaid Services (CMS) released proposed guidance on the Medicare Prescription Payment Plan (MPPP) on August 21, according to The Alliance for Aging Research.

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Executive Insight

Powered by First Research

Insurance Carriers

Chief Executive Officer - CEO

More Regulatory Requirements

Insurers are increasingly subject to a large number of regulations and reporting requirements by states. Consequently, some insurers have withdrawn from states that impose burdensome requirements. Other effects of increased regulation include work to eliminate duplicate regulations or to standardize insurance laws. Many insurers with multi-state operations favor federal regulation of the industry, which would pre-empt state laws.

Developing New Products

Changes in regulations allow insurers to sell other financial services, moving them into new areas, and new product development is essential to growth. In the health care field especially, there has been a lot of new product innovation, with policies that have different premium and coverage options, including supplemental policies and pharmacy benefit management.

Hide Talking Points

CEO: How important is new product development to the company's strategy?

Companies develop new insurance plans with a variety of options and can now sell other financial services, as a result of newer regulation.

CEO: What concerns does the company have about the number of federal and state regulations?

Many insurers favor federal regulation to standardize insurance laws and pre-empt the many differing state laws.

Chief Financial Officer - CFO

Improving Risk Assessment

Insurers' long-term profitability depends on accurately assessing the risks and potential costs of items they're insuring. In fields like life insurance, historical statistics may be adequate to forecast future risks, but in rapidly evolving fields like health insurance, future risks and costs are difficult to predict. Insurers rely partly on complex computer models that adjust estimates as actual experience is acquired. On some policies, insurers can adjust premiums year-by-year according to experience from the previous year.

Setting Adequate Reserves

Insurance companies must set aside reserves against claims on insurance they have in force, but the process of estimating sufficient reserves is complex. Estimates are based on past experience using actuarial and other models but may not adequately prepare the company for future claims for as-yet unknown injuries or catastrophic events. Reserves can also be affected by changes in regulations and laws, social expectations, and other factors.

Hide Talking Points

CFO: How does the company manage its reserves?

Insurance companies must set aside reserves against claims on insurance they have in force, but the process of estimating sufficient reserves is complex.

CFO: What plans does the company have to improve risk assessment?

Historical statistics, complex computer models, and year-to-year premium adjustments are some methods insurers use to assess risk.

Chief Information Officer - CIO

Integrating Management Information Systems

Many insurers use a variety of older accounting systems that are difficult to integrate. The complexity of many insurance products and the variety of regulatory filings insurers must make require accounting systems with extensive analytical and management reporting capabilities. The need for actuarial analysis and the use of complex investment and risk management strategies add to the difficulties of maintaining management oversight of operations.

Expanding Consumer Information Systems

To provide information on investment accounts or employer benefit programs, some insurers have developed sophisticated Internet information sites. Such sites may allow individuals to make investment transactions or see the progress of an insurance claim. Because of the sensitivity of such data, privacy protection is important. Successful sites are an important marketing tool and also can reduce customer service costs.

Hide Talking Points

CIO: What plans does the company have to expand consumer online access?

Websites can allow consumers to make investment transactions, order prescriptions, or see the progress of an insurance claim.

CIO: What challenges does the company have integrating its information systems?

Many insurers use old accounting systems, products and regulations are complex, and the need is high for extensive analysis and reporting capabilities.

Human Resources - HR

Improving Training for Employees and Agents

The industry's development in recent years has resulted in a greater number of products offered by insurers. Because many of these products are also complex, companies provide more training for employees and agents who have to explain them to customers. The high level of skill required in the industry has led to earnings that are significantly higher than the US average.

Designing Compensation Plans for Different Employees

The complexity of insurance operations requires different types of incentives for various employee groups. Until recently, insurance operations were mainly clerical, but the rapid growth of health care insurance, risk management programs, and investment products has expanded the range of skills insurers need. Investment managers, insurance agents, risk managers, and health care experts, for example, can be motivated with different types of financial incentives.

Hide Talking Points

HR: What plans does the company have to improve training for employees and agents?

The great number and complexity of insurance offerings necessitates ongoing training to keep product knowledge and skill levels high.

VP Sales/Marketing - Sales

Expanding Internet Sales

While some types of insurance, such as commercial coverage, are difficult to sell without an agent, others such as individual life, health, or car can easily be sold over the Internet. Many insurers have built websites where potential customers can find information about different types of policies and can complete an application. Large insurers drive traffic to their website by combining sales information with customer service functions for all products.

Expanding Cross-Selling to Employee Groups

Insurers that initially sold only health insurance to employers now offer a wider array of products, such as disability and life insurance, and investment or retirement products. Many insurers rely on agents or an internal sales force for access to employers, but some have expanded relations and support for independent brokers and HR consultants. Many small employers prefer to deal with a single provider of HR benefits.

Hide Talking Points

Sales: What plans does the company have for using the Internet to expand sales?

Websites can enable consumer access to policy descriptions, applications, and customer service functions.

Sales: What plans does the company have to be a single-source provider to corporate employee groups?

Many insurers expand cross-selling capabilities to agents, independent brokers, and HR consultants who sell to corporate employee groups.

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Challenges, Trends & Opportunities

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Insurance Carriers

Business Challenges

Fluctuating Investment Income

The revenue of insurance companies is highly dependent on investment income, which is subject to market volatility. Insurers invest premiums paid by customers until the money is needed for claims; in a down market, the performance of those investments suffers, which affects access to credit and liquidity, among other issues. Invest income is typically affected by fluctuations in interest rates, wherein a lower interest rate would result in lower investment income and could make a company's products less appealing to investors.

Cybersecurity

Cybersecurity became the top distribution concern for many insurance companies. According to Deloitte's 2021 insurance outlook, many companies will reallocate spending on technology, with cybersecurity expected to have a significant increase in investment. Across all regions, nearly two-thirds of respondents plan to increase spending on cybersecurity as cyberattacks continue to occur along with the prevalence of remote work and digitization of services.

Rates Depend on Regulators

Insurers have difficulty forecasting future claims for a variety of coverages, including auto and health insurance. US insurers must often go before state insurance commissions to request rate hikes. Insurance commissioners are interested in ensuring the financial health of insurers that operate in their territory. But they are also influenced by political considerations, and frequently set rates lower than insurers request. New laws and regulations could impose additional taxes on a specific subset of companies and limit their business operations or restrict companies from engaging in certain activities.

Future-Proof Workforce

Claims processing in 2030 remains a primary function of carriers, but more than half of claims activities have been replaced by automation, according to McKinsey. Repetitive and manual work may be replaced, while tech-savvy workers will increase in value. Interpersonal and social skills will be crucial for customer-facing employees. Moreover, McKinsey's research showed that new jobs will emerge due to the rise of automation, and not necessarily remove jobs.

Increased Competition

Insurance companies typically face competition from other insurance companies and even from non-insurance financial services companies. Companies may also lose purchasers of group insurance policies to competitors with more favorable terms. With banks and broker-dealers consolidating, insurance industry's sales and access to distributors may be affected as well as their ability to widen their customer base.

Business Trends

InsurTech

Digital insurance providers or insurtech companies are able to provide an efficient and customized experience for customers. Known insurance companies have funded many insurtech startups. Insurtech companies have different priorities such improving front-end customer experience and simplifying back-end processes for assessing and pricing risks as well as settling claims.

Disintermediation

Disintermediation, in which policyholders eliminate the middleman by self-insuring or forming captive insurance units, is a growing practice. Customers can invest their own premiums and take advantage of rising interest rates and other financial incentives, as well as keep insurance costs low. Captives are common among medical professionals such as doctors, who face high medical malpractice premiums, and in the construction industry, which has to buy construction guarantee insurance.

Sustainability

The insurance industry can boost its image and profitability by addressing sustainability issues. Impact underwriting can generate revenues for insurance companies while providing a positive social impact through sustainable actions. Companies can offer insurance policies to the areas of mobility sharing and autonomous driving.

Targeted Health Management

The decline of mortality risk is expected to continue, while life expectancy increases and health trends evolve, making insurers a crucial part of their customers' health. According to McKinsey, the number of people aged 60 and older will grow by over 50% by 2030. Shared-value life insurance products are already being offered by some companies in which they create an engaged wellness ecosystem, while others have "pay as you live" policy where customers with healthy behaviors are given lower premiums. The "prescribe and prevent" trend is expected to rise within the industry.

Consolidation

Insurers are consolidating to create efficiencies, expand into new territories, and strengthen finances and risk exposures. Mergers and acquisitions have increased in life, non-life, and reinsurance sectors. For example, the acquisition of Assurance IQ by Prudential Financial expanded their market through its business-to-consumer platform.

Industry Opportunities

Digitization

Another way for insurance companies to future-proof their business is through digitization of insurance products and services. Companies can leverage different digital platforms, such as mobile-friendly websites, customer account portals, mobile payments and apps, to communicate with customers and businesses. Other options include digital-hybrid solutions such as robo-advisors, video conferencing, and web chats. Automation and cloud-bases services are also expected to become standard tools for companies.

Retirement Income Products

Variable annuities provide investors fixed payments that kick in when funds perform poorly, offering downside protection. Deferred income annuities are also growing in popularity. Sales for annuities have grown and the long-term growth potential for such products is strong, according to research firm Limra. In some insurance companies, additional nonmonetary benefits are included or used to replace financial payouts with guaranteed arrangement in senior homes.

Attracting Younger Enrollees

Health care reform requirements for Americans are bringing young, healthy enrollees into the pool, balancing out more expensive seniors. To attract younger customers, insurance companies need to provide simple and more appealing digital products. In an article by IBM, 70% of survey respondents said they're likely to purchase life insurance if they understood the policies and benefits, whereas 67% would get one if the process were easier.

Long-Term Care Insurance

Long-term care insurance, a relatively new product, began as a way to finance nursing home care. Demand for the product can be expected to rise as costs of care increase. Prices for long-term care policies have risen, as well. Long-term care (LTC) insurance as a voluntary benefit for workers will become more popular, according to LTCI Partners. This type of insurance can protect a retirement plan and can be offered in combination with a life insurance plan.

Accommodating Customer Needs

Agile insurance carriers can quickly adapt to customer preferences, which can change with economic conditions and lifestyles. Insurers can leverage technology to perform customer research and develop a new product quickly. Such technology include artificial intelligence (AI) tools which can be used to provide better risk assessment which could help in fair premium pricing, to connect with costumers better and provide them with more personalized offers, according to Deloitte.

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Call Prep Questions

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Insurance Carriers

Talking Points

How does the company manage shifts in revenue due to economic conditions?

The revenue of insurance companies is highly dependent on investment income, which is subject to market volatility.

What was the top distribution concern for the company?

Cybersecurity became the top distribution concern for many insurance companies.

What difficulties does the company face requesting rate increases from legislators?

Insurers have difficulty forecasting future claims for a variety of coverages, including auto and health insurance.

How can the company future-proof its business?

Another way for insurance companies to future-proof their business is through digitization of insurance products and services.

How is the company benefiting from or taking advantage of e-commerce and e-business opportunities?

Variable annuities provide investors fixed payments that kick in when funds perform poorly, offering downside protection.

How is the company positioning itself to take advantage of opportunities created by aging customers?

Health care reform requirements for Americans are bringing young, healthy enrollees into the pool, balancing out more expensive seniors.

Operations, Products, and Facilities

How is the company diversifying to better serve different customer needs?

Larger companies are offering more products in different segments of the life or property/casualty fields.

Is the company a primary insurer or a reinsurer?

Large companies may be in both lines of business, but many reinsurers do only reinsurance.

What is the company's most popular product?

Insurers offer many different types of policies. Some life companies sell mainly term insurance, while others specialize in annuities. Property/casualty (P/C) companies may specialize in home, car, or commercial insurance.

How many offices does the company have?

Large companies often have a network of service offices.

What services does the company provide other than insurance?

Many insurance companies are affiliated with banks, stockbrokers, or other financial service firms.

Customers, Marketing, Pricing, Competition

How does the company market its products?

Only a few large insurers advertise significantly; commercial companies may advertise in specialty magazines.

Does the company have an in-house sales force? Exclusive agents? Independent agents?

Consumer-oriented companies may use all three.

To what degree does the company use insurance brokers?

Commercial insurers often use brokers, the equivalent of agents.

To what extent does the company market financial services for affiliates?

Many insurers are now affiliated with bankers and securities brokers.

How does the company use the Internet to attract new business? Can customers apply online?

The Internet has become a source of comparison shopping for many consumers.

Regulations, R&D, Imports and Exports

In how many states is the company licensed to sell insurance?

By law, those who underwrite or sell insurance must be licensed in any state in which they do business.

Which states, if any, has the company discontinued doing business in?

Insurers with poor performance and no prospect of rate increases may choose to discontinue business in a particular state.

What is the company's position on federal regulation of the insurance industry versus state-by-state regulation?

Many smaller insurers are wary of federal regulation that will benefit mainly large companies.

Organization and Management

How does the company recruit and train new employees?

Many insurance employees need specialized knowledge in math or computer science or financial services.

How large is the underwriting department relative to marketing and sales?

Some companies value sales over underwriting and may be holding unknown risks.

Financial Analysis

How profitable has the company been in recent years?

Some lines of business in some states have recently been unprofitable, including auto and health insurance.

What have the underwriting ratio and expense ratio been in recent years?

Underwriting ratio is insurance losses versus premium revenue. Expense ratio is operating expenses versus premium revenue.

How often has the company had to make unforeseen additions to loss reserves in recent years?

Unforeseen additions mean that the original underwriting estimates were inaccurate.

How much of company revenue is derived from fees rather than insurance premiums?

Insurers have tried to get more fee income, largely by managing financial assets and providing advisory services.

To what degree does the company believe that the industry has taken on uninsurable risks?

How does the company protect against insolvency?

Uninsurable risks are those in which neither the incidence nor the payout on claims can be estimated with any degree of certainty.

Inadequate reserves, improper pricing, and unsustainable growth levels are by far the most significant causes of recent insolvencies.

Business and Technology Strategies

How precisely can the company define the risks it insures?

Life expectancies can be forecast accurately; hurricanes and terrorism cannot.

To what extent does the company plan to expand into other geographical areas or other lines of insurance?

Many smaller insurers compete effectively by operating specialty insurance lines. Larger insurers are increasingly offering a wider selection of products.

Has the company had more difficulty forecasting the incidence of insurance claims (the number of claims) or the size of individual payments?

In health insurance, the size of payments has climbed much faster than anticipated.

How does the company plan to invest more in computer technology?

E-commerce is becoming increasingly important to sales and marketing.

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Industry Codes

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Insurance Carriers

Associated Industry Codes

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Industry Websites & Acronyms

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Insurance Carriers

Industry Websites

AM Best

America's Health Insurance Plans (AHIP)

American Council of Life Insurers (ACLI)

American Property Casualty Insurance Association (APCIA)

Canadian Life and Health Insurance Association (CLHIA)

Centers for Medicare & Medicaid Services (CMS)

Insurance Europe

Insurance Information Institute (III)

Insurance Journal

Insurance-Canada.ca

International Risk Management Institute (IRMI)

National Association of Insurance Commissioners (NAIC)

National Association of Mutual Insurance Companies (NAMIC)

National Underwriter (NU) Resource Center

Reinsurance Association of America (RAA)

Glossary of Acronyms

ACLI	American Council of Life Insurers
ERM	enterprise risk management
FSMA	Financial Services Modernization Act
III	Insurance Information Institute
ISO	Insurance Services Office
NAIC	National Association of Insurance Commissioners
NAII	National Association of Independent Insurers
NAMIC	National Association of Mutual Insurance Companies
PCI	Property Casualty Insurers Association of America

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Financial Information

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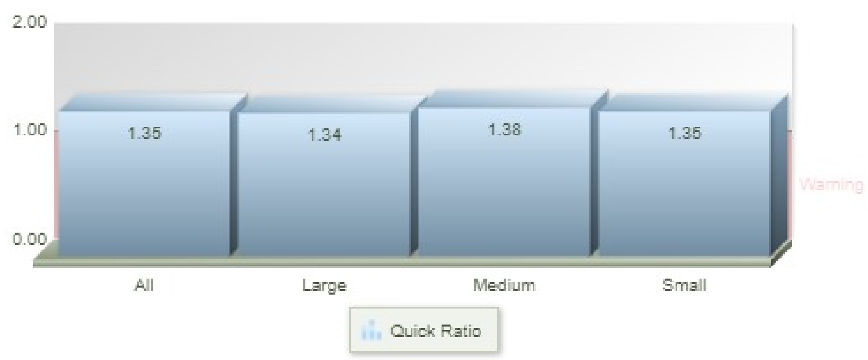
Insurance Carriers

Company Benchmark Trends

Quick Ratio by Company Size

The quick ratio, also known as the acid test ratio, measures a company's ability to meet short-term obligations with liquid assets. The higher the ratio, the better; a number below 1 signals financial distress. Use the quick ratio to determine if companies in an industry are typically able to pay off their current liabilities.



FINANCIAL INDUSTRY DATA PROVIDED BY MICROBILT CORPORATION COLLECTED FROM 32 DIFFERENT DATA SOURCES AND REPRESENTS FINANCIAL PERFORMANCE OF OVER 4.5 MILLION PRIVATELY HELD BUSINESSES AND DETAILED INDUSTRY FINANCIAL BENCHMARKS OF COMPANIES IN OVER 900 INDUSTRIES (SIC AND NAICS). MORE DATA AVAILABLE AT WWW.MICROBILT.COM.

Working Capital Turnover by Company Size

The working capital turnover ratio, also known as working capital to sales, is a measure of how efficiently a company uses its capital to generate sales. Companies should be compared to others in their industry.

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Current Liabilities to Net Worth by Company Size

The ratio of current liabilities to net worth, also called current liabilities to equity, indicates the amount due creditors within a year as a percentage of stockholders' equity in a company. A high ratio (above 80 percent) can indicate trouble.

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Company Benchmark Informations

Data Period: 2022	Last Update August 2023
Table Data Format	Mean

Company Size	All	Large	Medium	Small
Size by Revenue		Over $50M	$5M - $50M	Under $5M
Company Count	25231	1790	2967	20474
Income Statement				
Net Sales	100%	100%	100%	100%
Gross Margin	77.8%	77.8%	77.7%	79.6%
Officer Compensation	4.3%	4.3%	4.2%	5.9%
Advertising & Sales	0.7%	0.7%	0.8%	0.8%
Other Operating Expenses	67.8%	67.8%	67.5%	67.4%
Operating Expenses	72.8%	72.8%	72.5%	74.1%
Operating Income	5.1%	5.1%	5.2%	5.5%
Net Income	4.6%	4.6%	4.6%	4.4%
Balance Sheet				
Cash	19.2%	19.0%	20.9%	20.9%

Accounts Receivable	13.9%	13.7%	14.7%	15.4%
Inventory	0.8%	0.8%	0.8%	0.9%
Total Current Assets	72.5%	72.5%	74.1%	70.3%
Property, Plant & Equipment	5.8%	5.7%	5.8%	7.0%
Other Non-Current Assets	21.7%	21.8%	20.1%	22.7%
Total Assets	100.0%	100.0%	100.0%	100.0%
Accounts Payable	8.0%	8.0%	7.6%	9.7%
Total Current Liabilities	47.0%	47.1%	47.0%	45.9%
Total Long Term Liabilities	9.2%	9.2%	7.9%	11.3%
Net Worth	43.8%	43.8%	45.1%	42.8%
Financial Ratios				
Quick Ratio	1.35	1.34	1.38	1.35
Current Ratio	1.54	1.54	1.58	1.53
Current Liabilities to Net Worth	107.3%	107.6%	104.2%	107.3%
Current Liabilities to Inventory	x61.88	x62.77	x56.61	x51.61
Total Debt to Net Worth	x1.28	x1.29	x1.22	x1.34
Fixed Assets to Net Worth	x0.13	x0.13	x0.13	x0.16
Days Accounts Receivable	37	35	49	58
Inventory Turnover	x39.74	x41.73	x29.47	x22.31
Total Assets to Sales	70.8%	68.4%	89.6%	101.4%
Working Capital to Sales	18.1%	17.4%	24.3%	24.7%
Accounts Payable to Sales	5.8%	5.6%	7.0%	10.0%
Pre-Tax Return on Sales	7.4%	7.5%	7.5%	7.1%
Pre-Tax Return on Assets	10.5%	10.9%	8.4%	7.0%
Pre-Tax Return on Net Worth	24.0%	24.9%	18.5%	16.3%
Interest Coverage	x16.87	x16.83	x20.00	x12.13
EBITDA to Sales	6.6%	6.6%	6.7%	7.0%
Capital Expenditures to Sales	1.2%	1.2%	1.1%	1.2%

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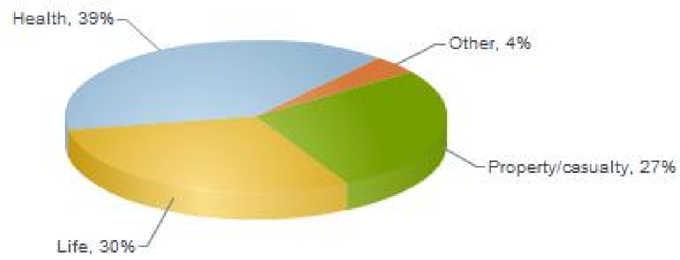
Economic Statistics And Information



Valuation Multiples

Insurance Carriers

Acquisition multiples below are calculated medians using at least 3 US private industry transactions completed between 1/2011 and 12/2022 and are based on middle-market transactions where the market value of invested capital (the selling price) was less than $1B. Data updated annually. Last updated: January 2023.

Valuation Multiple	MVIC/Net Sales	MVIC/Gross Profit	MVIC/EBIT	MVIC/EBITDA
Median Value	0.84	0.84	3.65	3.22

MVIC (Market Value of Invested Capital) = Also known as the selling price, the MVIC is the total consideration paid to the seller and includes any cash, notes and/or securities that were used as a form of payment plus any interest-bearing liabilities assumed by the buyer.
Net Sales = Annual Gross Sales, net of returns and discounts allowed, if any.
Gross Profit = Net Sales - Cost of Goods Sold
EBIT = Operating Profit
EBITDA = Operating Profit + Noncash Charges

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What It's Worth

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