

## Title:

M & A for Insurance: A Signal of International Growth?

## Word Count:

235

## Summary:

One of the most overlooked industries, insurance, is poised for growth over the next three years. That fact is not disputed. The methods that will be used to achieve that growth are where the experts begin to diverge. Will the growth be through merger and acquisition, or through real organic growth?.

## Keywords:

## Article Body:

In a recent report released by KPMG, the key findings for the expected insurance industry are recapped below.

The international insurance market is expected to see good or very good growth over the next three years, and global consolidation is expected to accelerate over those same three years.

Asian countries are expected to see the most growth; however, merger and acquisition are not expected to play a major part in the growth.

The national and foreign regulations that affect insurance are not expected to be a barrier to acquisition activity.

Acquisition strategies incorporated over the last three years were driven mainly by increasing profit and top line growth, and larger insurance companies are generally expected to be the more acquisitive.

Almost three-fourths of Asian-Pacific respondents stated that organic growth was more important than growth by acquisition; this is in direct contrast with the almost two-thirds of the European and US respondents looking to M&A for growth

opportunity.

The report found that in the U.K., as well as the U.S. market, there was an oversupply of providers, and that this fact alone has lead to the M&A growth in the insurance market. As the developed countries insurance markets mature, there is an increased tendency toward merger and acquisition for growth opportunity; this is in direct contrast with developing countries that are still looking toward organic growth opportunity to increase their bottom line.