

Welcome to AdviseN's Transactional Insurance Insights Forum!

Opening Remarks



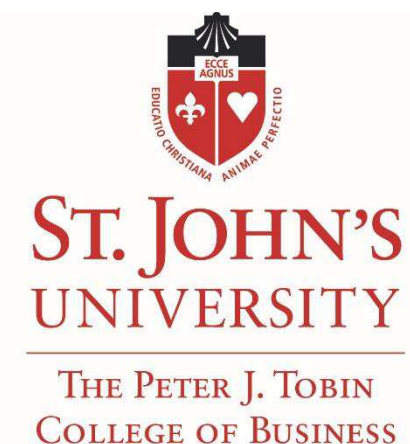
Maureen Furlong Weber
Director of the School of Risk
Management, Insurance and Actuarial
Science (SRM),
The Peter J. Tobin College of Business at
St. John's University

M&A Trends and Issues: What to expect in 2015 and beyond



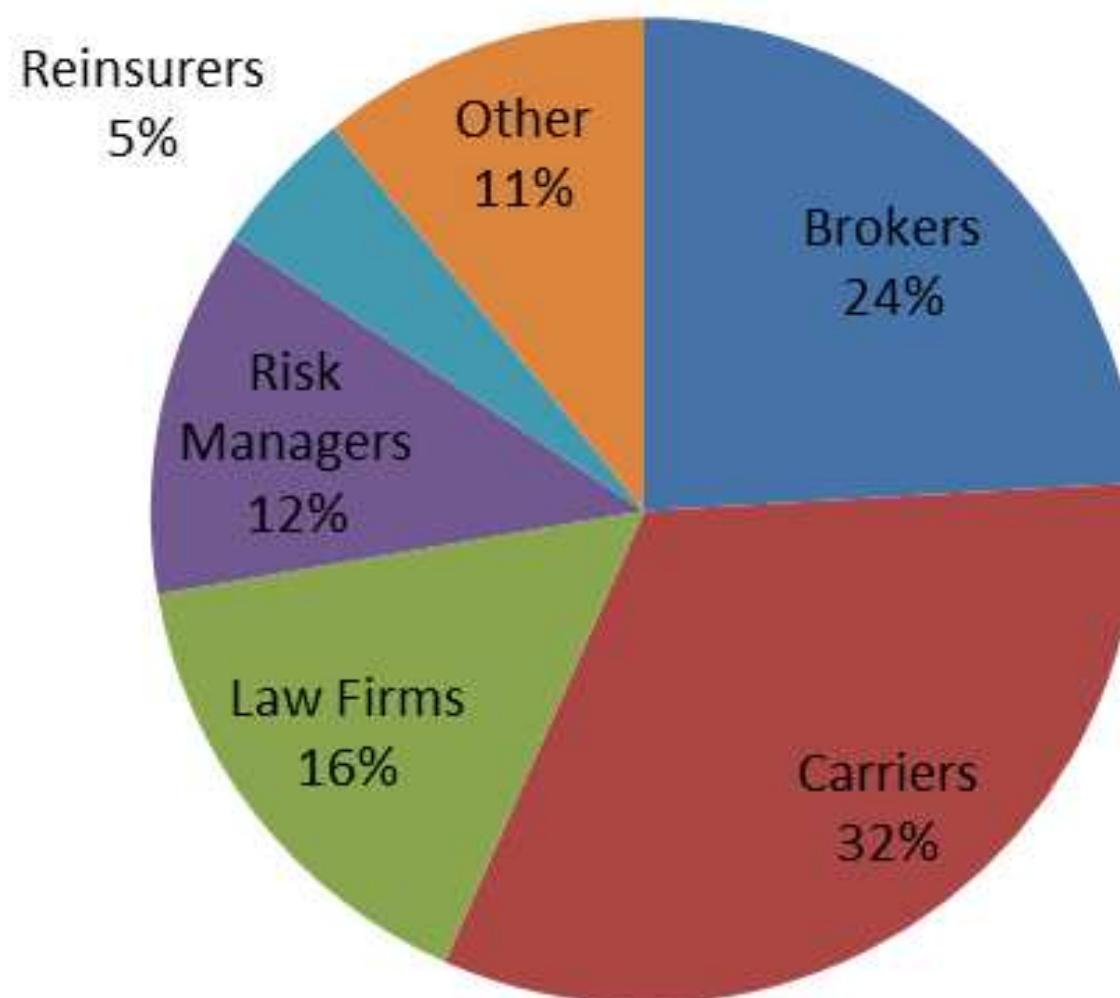
David Bradford
President, Research & Editorial
Advisen

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School of Risk Management, Insurance and Actuarial Science

Today's Attendees by Segment



The Different Markets in Today's Audience

ACE Group

AEGIS Insurance Services

AIG

Allied World

Arch Insurance

Chubb

FAIRCO

Freedom Specialty

HCC Global

Lancer Insurance Company

Liberty Mutual

New Day Underwriting

QBE

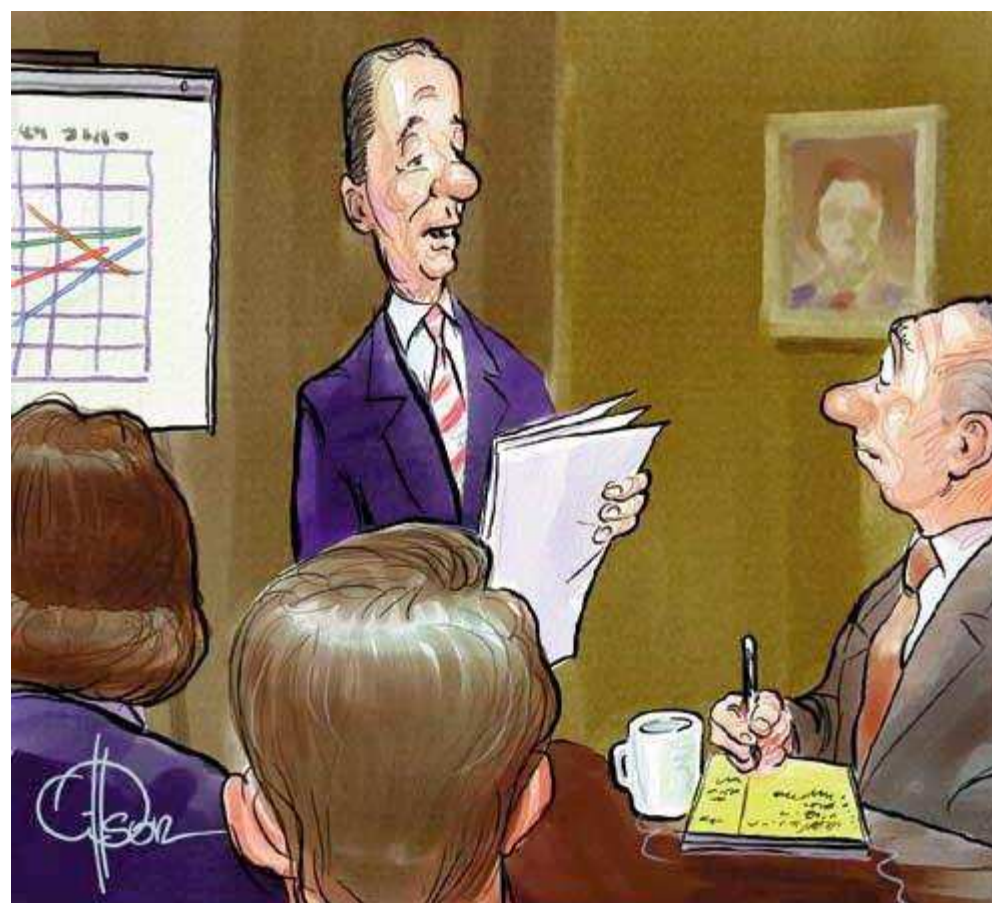
The Hartford

XL

Zurich

“Next to cyber liability insurance, Representations and Warranties Insurance may represent the hottest trend in insurance heading into 2015.”

M&A Market Heating Up



THE BAD NEWS IS: IN A RECENT ACQUISITION FRENZY, WE PURCHASED ONE OF OUR OWN COMPANIES. THE GOOD NEWS IS: THE STOCK WENT UP.

M&A Market Heating Up

- Low interest rates
- Growing consumer confidence
- Mountains of cash

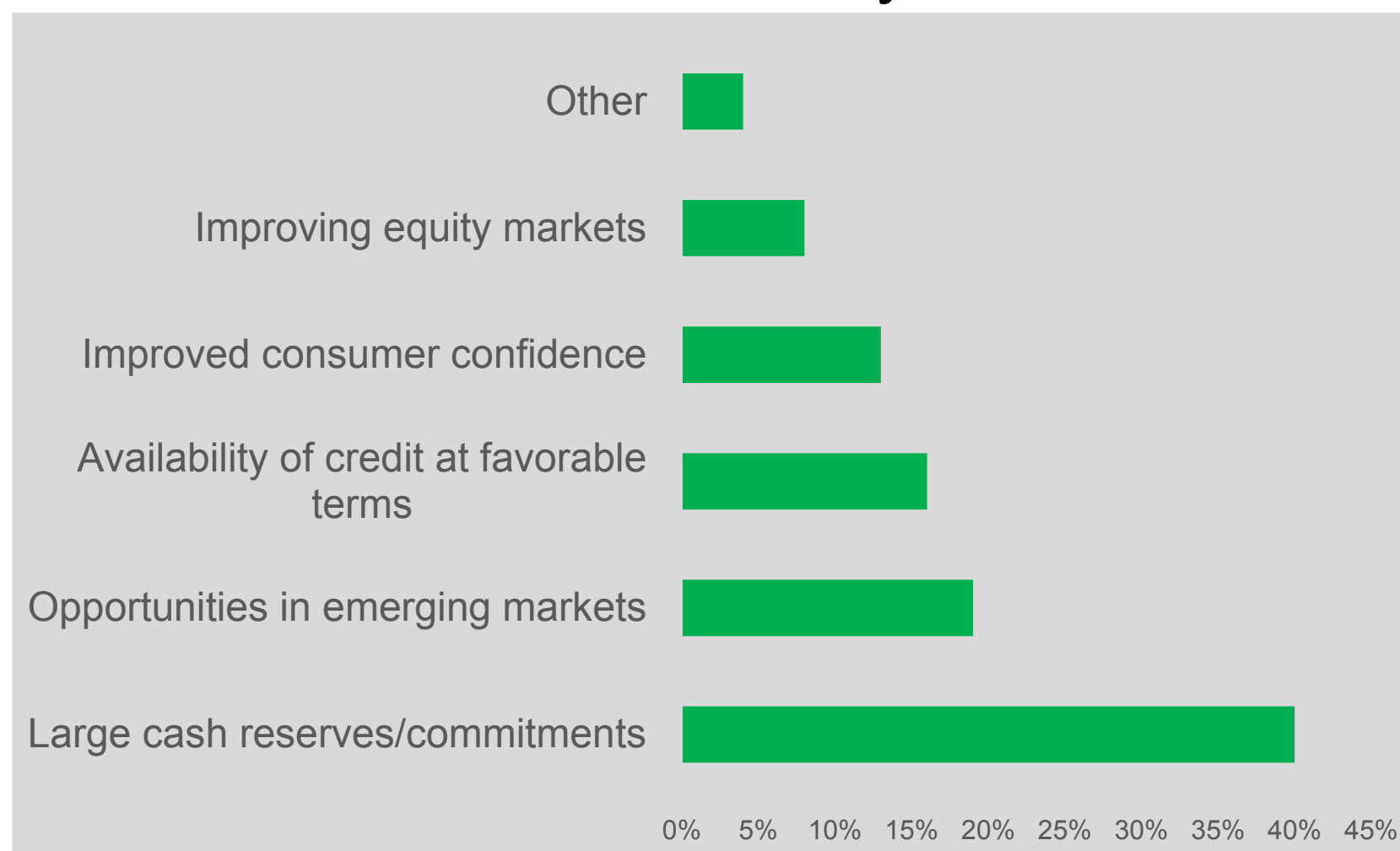
Plus limited opportunities for organic growth

M&A Market Heating Up

- Low interest rates
- Growing consumer confidence
- **Mountains of cash**

Plus limited opportunities for organic growth

Which factors do you think will most drive deal activity in 2015?



Source: KPMG



Quarterly Cash & Short-Term Investments – S&P 500 (Ex-Financials)

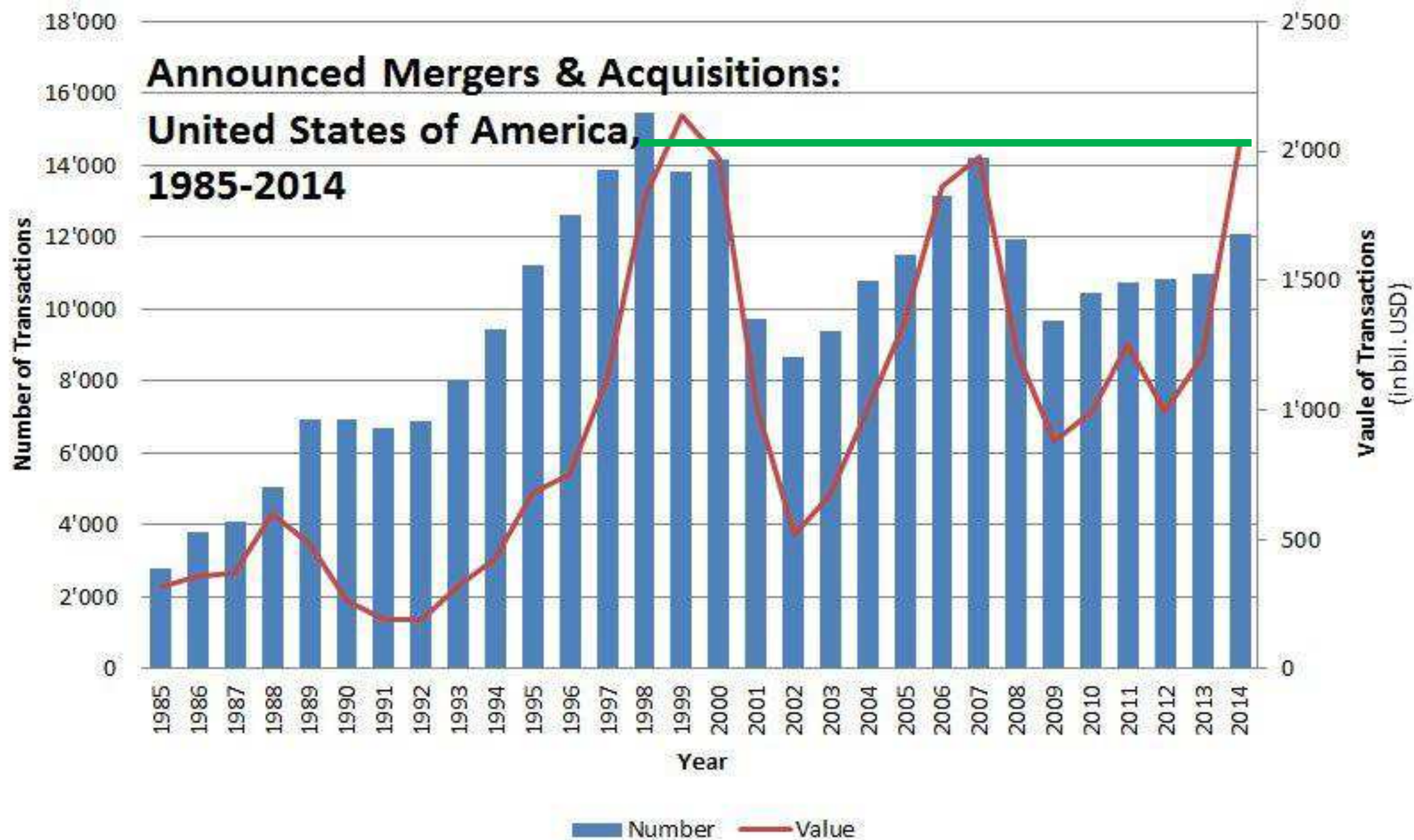


Source: FactSet

Top 10 Companies by Cash and Short-Term Investments (ex-Financials and Managed Health Care)

Company	Sector	Cash (Qtr)	1 Year Growth	Cash to Debt	1 Yr Total Return
→ Microsoft Corporation	Information Technology	\$90,249	7.5%	318.8%	12.5%
→ General Electric Co.	Industrials	\$90,230	1.8%	24.7%	3.0%
→ Google Inc. Class A	Information Technology	\$64,395	9.7%	1229.6%	(6.5%)
→ Cisco Systems, Inc.	Information Technology	\$53,022	12.7%	258.4%	34.9%
→ Oracle Corporation	Information Technology	\$44,733	21.0%	137.8%	13.5%
Pfizer Inc.	Health Care	\$36,122	11.5%	98.5%	12.6%
Johnson & Johnson	Health Care	\$33,089	13.3%	176.4%	9.3%
→ Apple Inc.	Information Technology	\$32,463	(20.3%)	89.2%	72.0%
Ford Motor Company	Consumer Discretionary	\$31,150	(14.8%)	26.1%	11.0%
General Motors Co.	Consumer Discretionary	\$29,514	(2.4%)	63.0%	14.4%
S&P 500 (Ex-Financials)*	-	\$1,433,880	2.3%	39.4%	13.7%

Source: FactSet



Source: Institute of Mergers, Acquisitions and Alliances (IMAA)

Number of deals by size

Deal Size	<u>12 Months Ended</u>		
	2/28/15	2/28/14	Change
>\$1 Billion	297	222	33.8%
\$500M - \$999	211	181	16.6%
\$250M - \$499M	326	253	28.9%
\$100M - \$249M	515	412	25.0%
\$50M - \$99M	388	329	17.9%
\$25M - \$49M	405	340	19.1%
\$10M - \$24M	488	467	4.5%
<\$10M	899	841	6.9%
Undisclosed	8465	6848	23.6%

Technology is hot!

3,512 deals in 2014, the most of any year but 2000.

SECTOR BY ACTIVITY

Target Sector	L3M 2/28/15 Deal Count	L3M 2/28/14 Deal Count	Difference
Technology Services	501	403	98
Finance	386	342	44
Consumer Services	250	218	32
Non-Energy Minerals	55	40	15
Retail Trade	96	84	12
Utilities	51	43	8
Consumer Non-Durables	85	77	8
Producer Manufacturing	177	172	5
Government	5	1	4
Transportation	60	56	4
Process Industries	100	99	1
Miscellaneous	5	4	1
Energy Minerals	32	33	(1)
Commercial Services	462	464	(2)
Communications	39	41	(2)
Consumer Durables	45	49	(4)
Distribution Services	130	141	(11)
Health Services	128	144	(16)
Electronic Technology	117	133	(16)
Health Technology	92	109	(17)
Industrial Services	99	136	(37)
Total	2,915	2,789	126

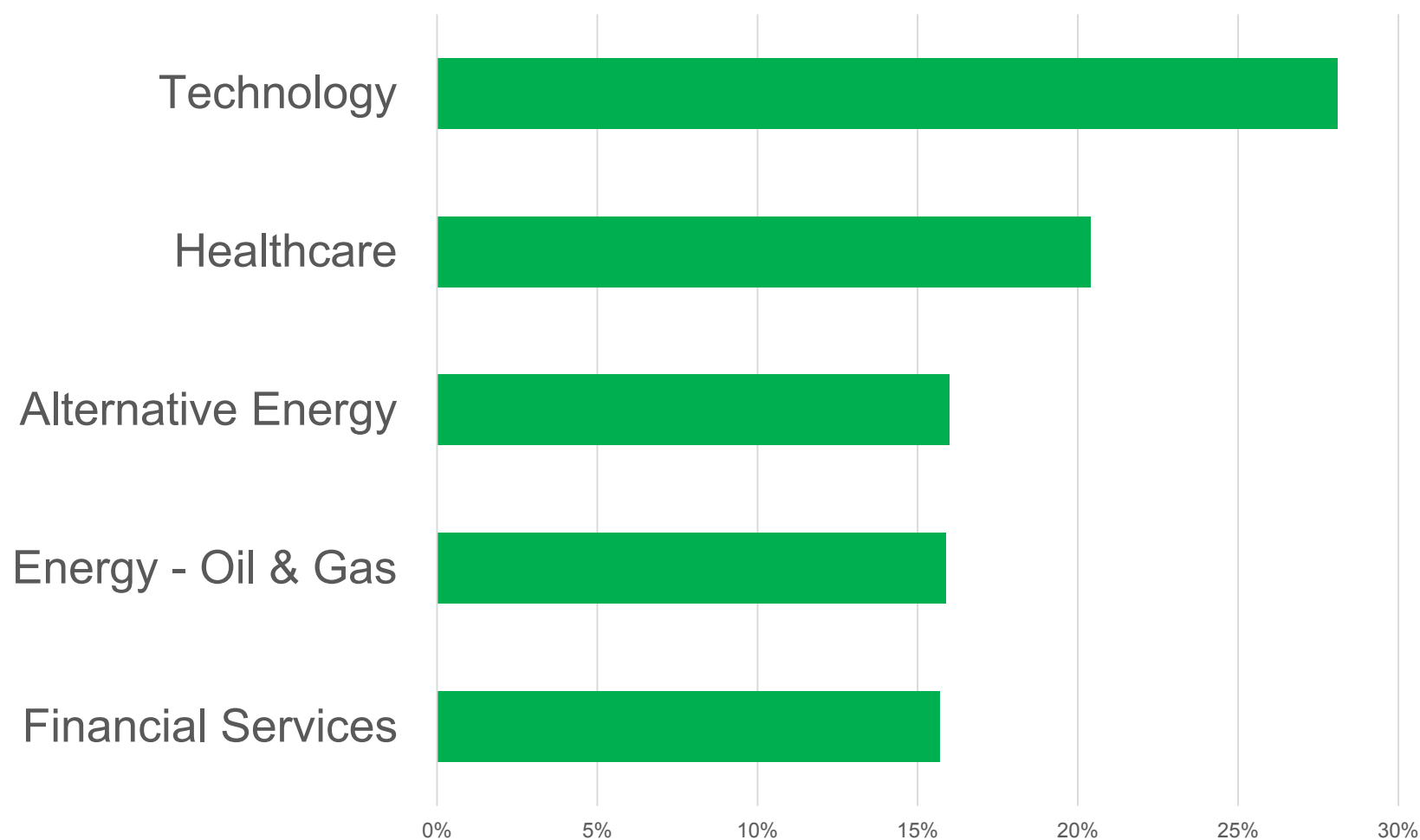
SECTOR BY VALUE

Target Sector	L3M 2/28/15 Value	L3M 2/28/14 Value	Difference
Process Industries	\$23,390.9	\$9,330.5	\$14,060.5
Commercial Services	26,860.7	14,090.4	12,770.3
Retail Trade	17,768.5	6,134.6	11,633.9
Communications	13,736.4	3,723.2	10,013.2
Energy Minerals	17,108.5	8,577.7	8,530.8
Non-Energy Minerals	11,807.9	5,774.1	6,033.8
Producer Manufacturing	13,889.7	8,750.8	5,138.9
Utilities	11,626.0	7,595.1	4,030.9
Transportation	6,577.6	4,457.5	2,120.1
Miscellaneous	401.6	158.2	243.4
Government	0.0	0.0	0.0
Health Services	1,521.2	3,480.8	(1,959.6)
Health Technology	43,156.6	47,585.3	(4,428.7)
Consumer Durables	1,076.5	5,822.1	(4,745.6)
Industrial Services	4,365.2	9,675.8	(5,310.6)
Electronic Technology	18,032.2	23,991.7	(5,959.4)
Finance	36,354.0	44,732.3	(8,378.3)
Distribution Services	6,580.8	15,317.7	(8,736.9)
Consumer Non-Durables	11,500.8	24,325.9	(12,825.1)
Technology Services	19,140.5	38,269.3	(19,128.8)
Consumer Services	11,396.3	53,238.2	(41,841.9)
Total	\$296,292.0	\$335,031.0	(\$38,739.1)



What's ahead?

M&A Sectors Poised for Growth



Leading the way to smarter and more efficient risk and insurance communities,
AdviseN delivers:
the **right** information into
the **right** hands at
the **right** time
to *power* performance.



**TRANSACTIONAL
INSURANCE**

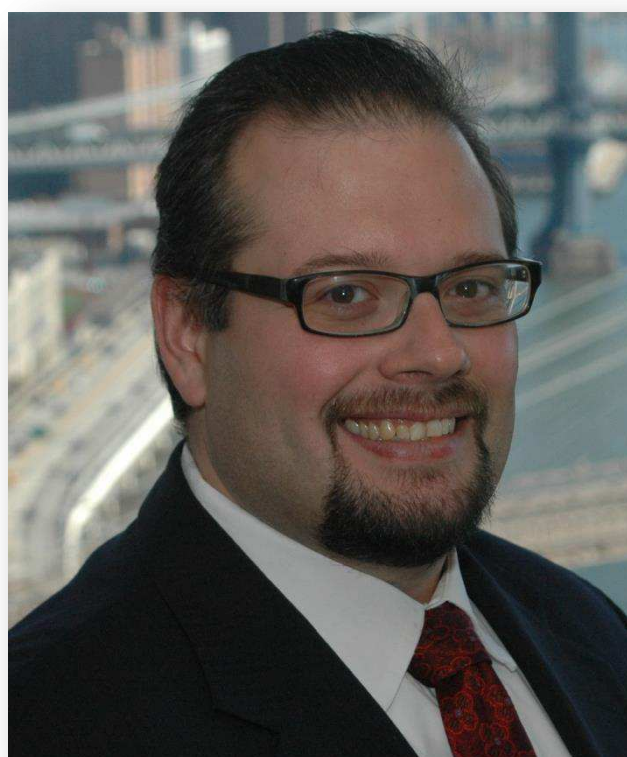
INSIGHTS FORUM

APRIL 15, 2015
NEW YORK CITY



Getting the Deal Done

Getting the Deal Done



Matthew Heinz

Managing Director, National Practice Leader-Transactional Liability
Aon
Moderator

Getting the Deal Done

- **Matthew Heinz**, Managing Director, National Practice Leader- Transactional Liability, Aon (Moderator)
- **Neil Krauter**, Chairman & CEO, Krauter & Company
- **Patrick Ryan**, AVP, North American M&A Practice, Allied World
- **Christopher Tutoki**, Partner, M&A Transaction Services, Deloitte
- **Joseph Verdesca**, Partner, Weil, Gotshal & Manges LLP

Getting the Deal Done



Transactional Insurance Products

Transactional Insurance Products



Steven Boughal

Vice President and Chief Underwriting Officer
The Hartford
Moderator

Transactional Insurance Products

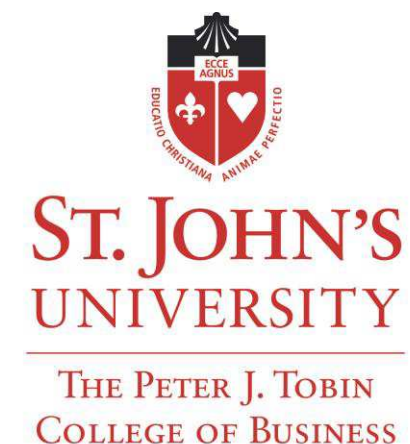
- **Steven Boughal**, VP & Chief Underwriting Officer,
The Hartford (Moderator)
- **Jay Rittberg**, SVP and Americas M&A Manager, AIG
- **Craig Schioppo**, Managing Director, Marsh
- **Deborah McBrearty**, Transaction Risk Insurance Manager,
HCC Global
- **Howard Spilko**, Partner & Co-Chair, Corporate Dept.,
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Transactional Insurance Products



Closing Remarks

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