
Insurance M&A at Lowest Level Since 2002

By Editor Test *Wed, Apr 14, 2010*

But 'we are already seeing that pent-up demand is driving increased M&A activity in most sectors of the insurance market,' said the director of research at Conning Research and Consulting.

The U.S. saw a significant decline in the reported value of insurance industry M&A transactions in 2009, and overall global transaction values also declined further from very low 2008 levels, according to a new study by Conning Research & Consulting.

"In the U.S., the value of insurance industry transactions was the lowest we have reported since 2002, U.S. life-annuity marked its second year below \$1 billion in M&A values, while the property-casualty sector dropped 78% and health insurance also dipped below \$1 billion," said Jerry Theodorou, analyst at Conning.

The Conning Research study, "Global Insurance Mergers & Acquisitions in 2009," tracks and analyzes both U.S. and non-U.S. insurance industry M&A activity across property-casualty, life, health and distribution and services sectors.

"Non-U.S. M&A transaction values increased 58% due to significantly larger transactions in the life-annuity and health sectors, while non-U.S. property-casualty declined for the second year," said Stephan Christiansen, director of research at Conning.

"Looking forward, we are already seeing that pent-up demand is driving increased M&A activity in most sectors of the insurance market, as economic and credit conditions improve and valuations rise again to more normal levels."

"Global Insurance Mergers & Acquisitions in 2009" is available for purchase from Conning Research & Consulting. www.conningresearch.com

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