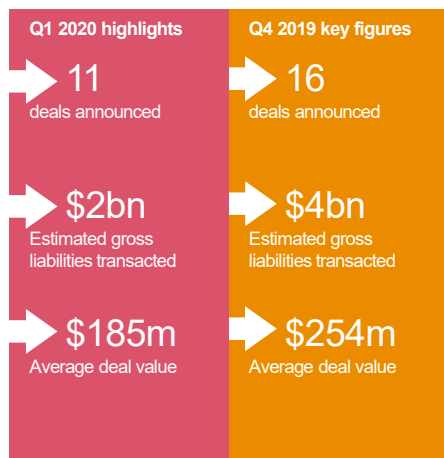


Non-life insurance run-off deals

Q1 2020 update
May 2020



- 11 deals were announced in Q1 2020 compared to 16 in Q4 2019. Although a quarter on quarter reduction, this is in line with previous years experience and typical Q1 activity levels.
- Overall transaction size was also smaller with the average estimated value of transactions of \$254m in Q4 2019 reducing to \$185m in Q1 2020. However, in North America the average estimated deal value was proportionately larger at \$286m.
- The majority of deals announced were in North America, but there continues to be strong activity in the UK and Ireland as well.
- While COVID-19 will certainly impact deal closings / announcements in the near term, we see a positive longer term opportunity for the run-off market with global (re)insurers facing capital and solvency pressures caused by stress on both the asset and liability side of the balance sheet.

Q1 2020 deal activity by region

North America
Q1 2020 – 6 deals

\$1,715m
Estimated gross liabilities

Rest of World

Q1 2020 – Nil

C. Europe

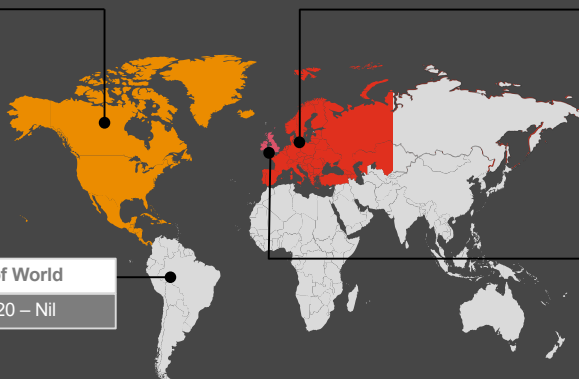
Q1 2020 – 2 deals

\$11m
Estimated gross liabilities

UK and Ireland

Q1 2020 – 3 deals

\$313m
Estimated gross liabilities



Deals this quarter

Acquirer group	Target	Country of target	Territory	Type of deal	(Re)insurer/Lloyds/Captive/Corporate
R&Q	Vigneron Insurance Company, Inc.	USA	North America	Share Sale	Captive
R&Q	Lansen Försäkringsaktiebolag	Sweden	Continental Europe	Insurance Business Transfer	Captive
R&Q	UK P&I Club	UK	UK and Ireland	Loss Portfolio Transfer followed by Insurance Business Transfer	(Re)insurer
R&Q	Houston International Insurance Group	USA	North America	Loss Portfolio Transfer	(Re)insurer
Darag	Undisclosed Lloyd's Syndicate	UK	UK and Ireland	Loss Portfolio Transfer	Lloyd's
Darag	Undisclosed Multinational (re)insurer	USA	North America	Loss Portfolio Transfer	(Re)insurer
AXA LM	Renaissance Re (UK) Limited	UK	UK and Ireland	Share Sale	(Re)insurer
AXA LM	AXA Versicherung AG	Germany	Continental Europe	Insurance Business Transfer	(Re)insurer
Enstar	AXA XL	USA	North America	Loss Portfolio Transfer	(Re)insurer
Enstar	Aspen Insurance Holdings Limited	Bermuda	North America	Adverse Development Cover	(Re)insurer
Enstar	Pacific Valley Insurance Company	USA	North America	Novation	Captive

Further information on the non-life run-off insurance market on pwc.com

Global Insurance
Run-off Survey 2019

Non-life insurance
run-off deals Q2 2019

Non-life insurance
run-off deals Q3 2019

2019: A review of
non-life insurance
run-off deals

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About the run-off deals team

The non-life insurance run-off deals team has access to more than 200 specialists who can provide expert support throughout the deal lifecycle, including:

- Commercial, financial, regulatory and operational due diligence
- Deal feasibility studies and strategic options analyses
- Transaction structuring advice
- Preparation of marketing materials and running of disposal process
- Bidder identification and deal negotiation support
- Actuarial support including Deal pricing, reserving and capital optimisation
- Post-transaction separation and migration advice.

About the data

The data used in this publication has been sourced from company announcements and other publicly available information.

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