

July 2020

Non-life insurance run-off deals

Q2 2020

Q2 2020 highlights

12 deals announced

\$1.3bn

Estimated gross liabilities transacted

\$104m

Average deal value

Q1 2020 key figures

13 deals announced

\$2.1bn

Estimated gross liabilities transacted

\$162m

Average deal value

* These figures have been updated since our Q1 2020 report to reflect further information we received regarding deals announced in Q1 2020.*

- Executed deals have remained relatively steady in Q2 2020 despite the potential challenges presented by completing deals during the COVID-19 pandemic, with 12 deals publicly announced. With a number of smaller value deals, the overall total estimated liabilities transacting dropped from \$2.1bn in Q1 2020 to \$1.3bn in Q2 2020.
- Six different consolidators have transacted during Q2 2020, bringing the total number of active market acquirers during the year to 10. Apart from one transaction where the purchaser has not been disclosed, these were all established market participants. Given the current market environment and opportunities in the sector, we expect to see some new entrants announce deals before the end of the year.
- North America has been the most active in terms of volume and value of deals, continuing recent trends, but we expect the UK, within Lloyd's in particular, to see deal activity increase as the year progresses.
- Whilst currently behind the figures for 2019 in terms of value (\$5.4bn in 2019 versus \$3.4bn in 2020), 2020 continues to be a strong transaction year and the volume of deals has outpaced the same period last year (21 deals in 2019 versus 25 deals in 2020).

Q2 2020 deal activity by region

North America

Q1 2020 — 7 deals
Q2 2020 — 6 deals

\$1,011m

Estimated gross liabilities

C. Europe

Q1 2020 — 2 deals
Q2 2020 — 1 deal

\$1m

Estimated gross liabilities

Rest of World

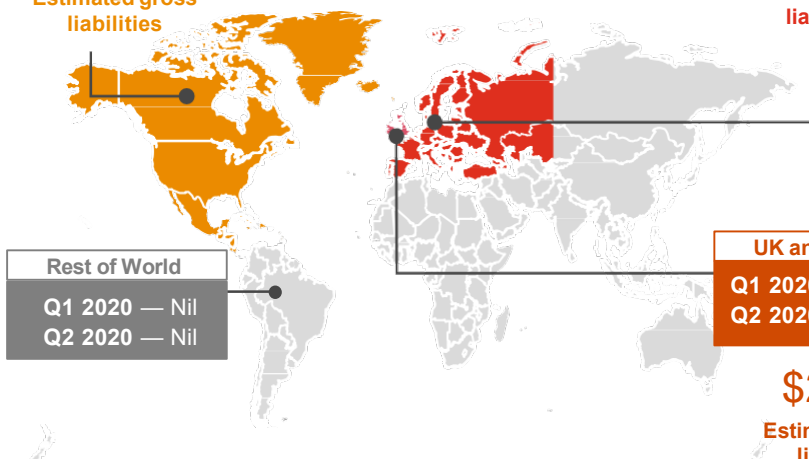
Q1 2020 — Nil
Q2 2020 — Nil

UK and Ireland

Q1 2020 — 4 deals
Q2 2020 — 5 deals

\$241m

Estimated gross liabilities



Deals this quarter

Acquirer group	Target	Country of target	Territory	Type of deal	(Re)insurer/ Lloyds/ Captive/Corporate
R&Q	ICI Insurance Company Limited	Cayman Islands	North America	Share Sale	Captive
R&Q	Repwest Insurance Company Limited	USA	North America	Loss Portfolio Transfer followed by Insurance Business Transfer	(Re)insurer
Ashbrooke	AA Underwriting Limited	UK	UK & Ireland	Share Sale	(Re)insurer
Ashbrooke	Automobile Association Underwriting Services Limited	UK	UK & Ireland	Share Sale	(Re)insurer
Ashbrooke	AA Reinsurance Company Limited	Guernsey	UK & Ireland	Share Sale	(Re)insurer
Riverstone	Skuld Syndicate 1897	UK	UK & Ireland	Share Sale	Lloyd's
R&Q	NationsBuilders Insurance Company	USA	North America	Share Sale	Captive
Enstar	StarStone U.S. Insurance Companies	USA	North America	Loss Portfolio Transfer and Adverse Development Cover	(Re)insurer
R&Q	Undisclosed Vermont based captive	USA	North America	Share Sale	Captive
Undisclosed	FGIC UK Limited	UK	UK & Ireland	Share Sale	(Re)insurer
Fleming Re	Duarte Nursery, Inc.	USA	North America	Novation	Corporate
Quest	Lamp Insurance Company Limited	Gibraltar	Continental Europe	Insurance Business Transfer	(Re)insurer

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 Q1 2020](#)

[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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