Business Intelligence and Mergers & Acquisitions in Insurance

IT Matters Forum – 4 July 2016

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July 2016

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Please read the small print…

This presentation reflects my personal views and is not intended to reflect the views of past, current and prospective employers, clients or other agents

AGENDA

Interview time!

Landscape

Thoughts

Interview Question

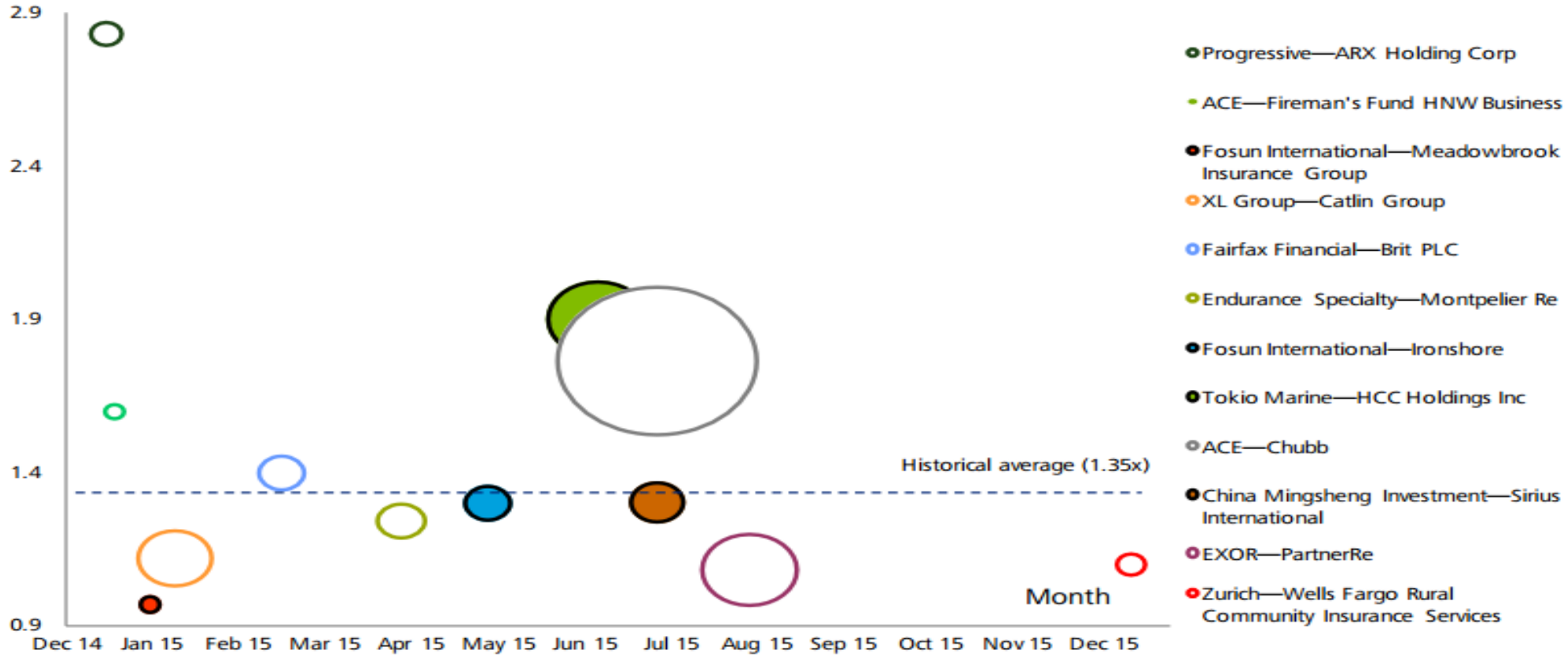
- For the role of BI Manager:

What is the first thing you would do when beginning a three year BI Project?

Landscape - Business

Figure 6: P&C Valuations Paid by Japanese and Chinese vs. Other Buyers

Price/Book Value Multiples



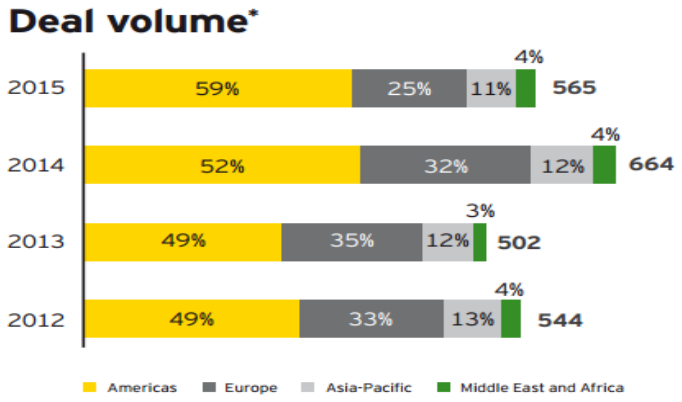
Notes:

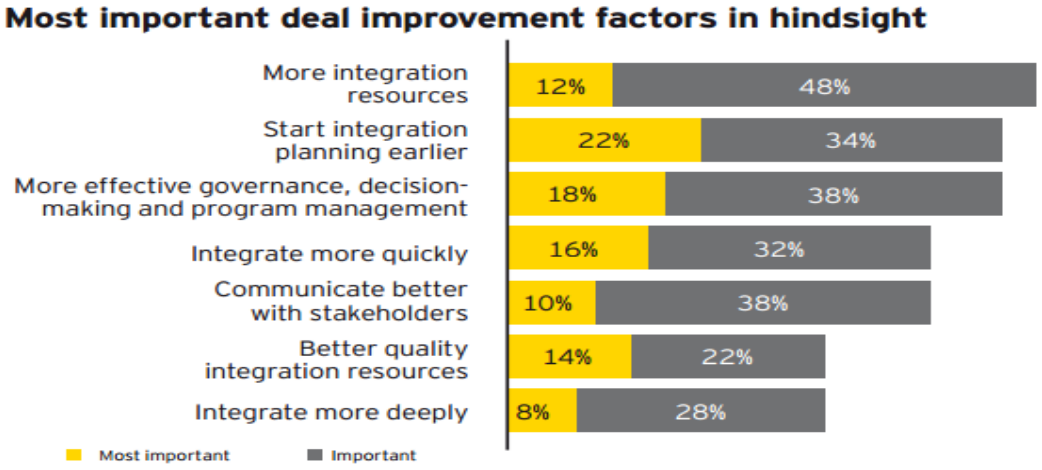
1. Transactions shown are P&C deals valued at $250M+ with either the buyer or target being a US- or Bermuda-based (re)insurer.
2. Average historical P&C P/BV multiple for publicly traded companies computed from 2000 to 2015, Morgan Stanley.
3. Acquisitions by Japanese or Chinese buyers illustrated with colored bubbles with black bubble outline.
4. Size of bubble proportional to transaction value.

Source: Deloitte 2016 M&A Outlook
http://www2.deloitte.com/content/dam/Deloitte/us/Documents/financial-services/us-fsi-2016-insurance-m-a-outlook.pdf

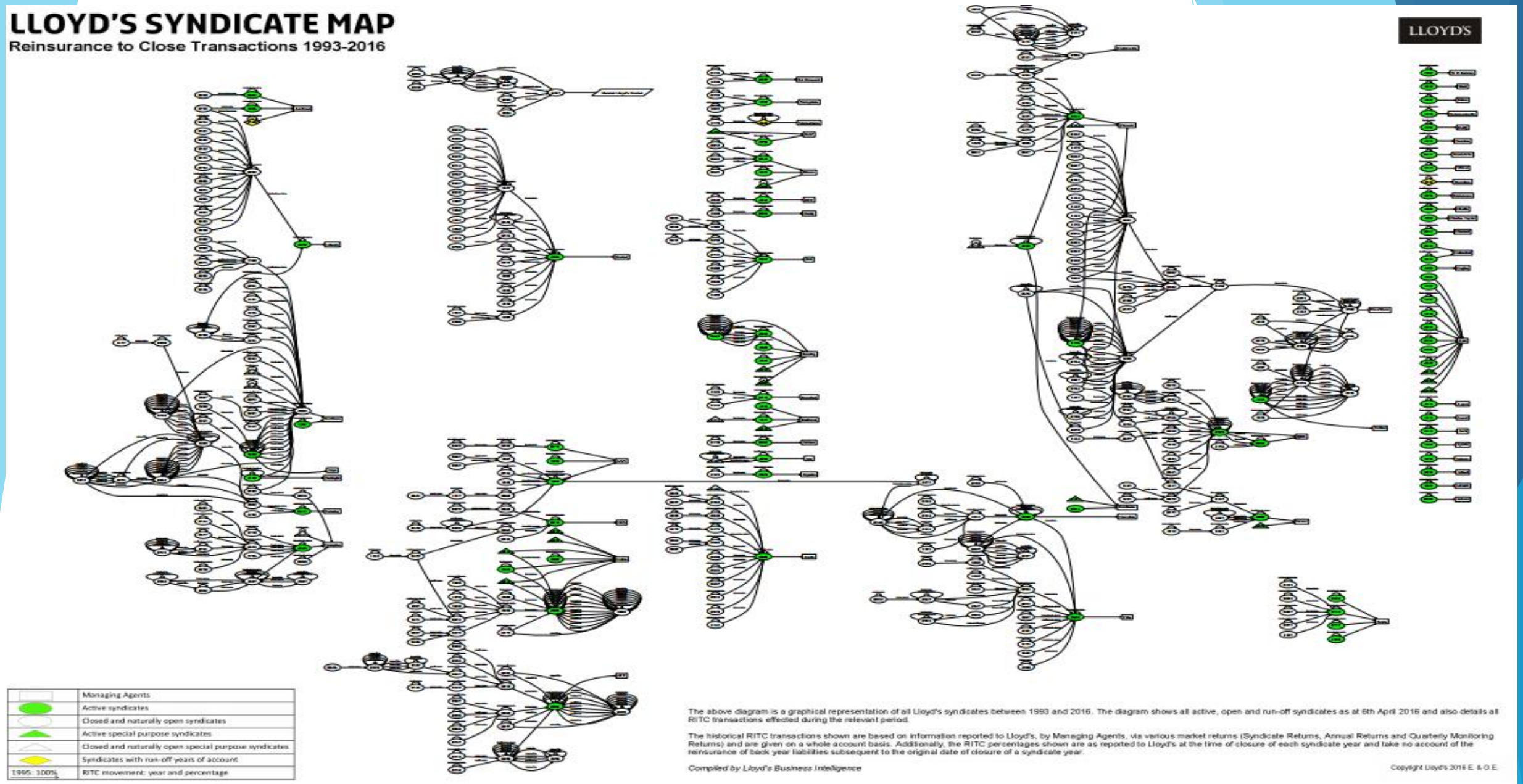
Top 10 deals by disclosed value

Date	Target	Target country	Acquirer	Acquirer country*	Value (US$m)
Jul 2015	Chubb	United States	ACE	United States	28,534
Jun 2015	Towers Watson	United States	Willis Group	United Kingdom	8,113
Jun 2015	HCC Insurance	United States	Tokio Marine & Nichido Fire	Japan	7,504
Jan 2015	Partner Re	Bermuda	Exor	Italy	5,266
Sep 2015	Amlin	United Kingdom	Mitsui Sumitomo Insurance	Japan	5,263
Jul 2015	StanCorp Financial	United States	Meiji Yasuda Life Insurance	Japan	4,961
Sep 2015	Huaxia Life Insurance	China	Baotou Huazi	China	4,944
Jan 2015	Catlin Group	Bermuda	XL Group	Bermuda	3,928
Aug 2015	Symetra Financial	United States	Sumitomo Life Insurance	Japan	3,792
Nov 2015	Mitsui Life Insurance	Japan	Nippon Life Insurance	Japan	2,743

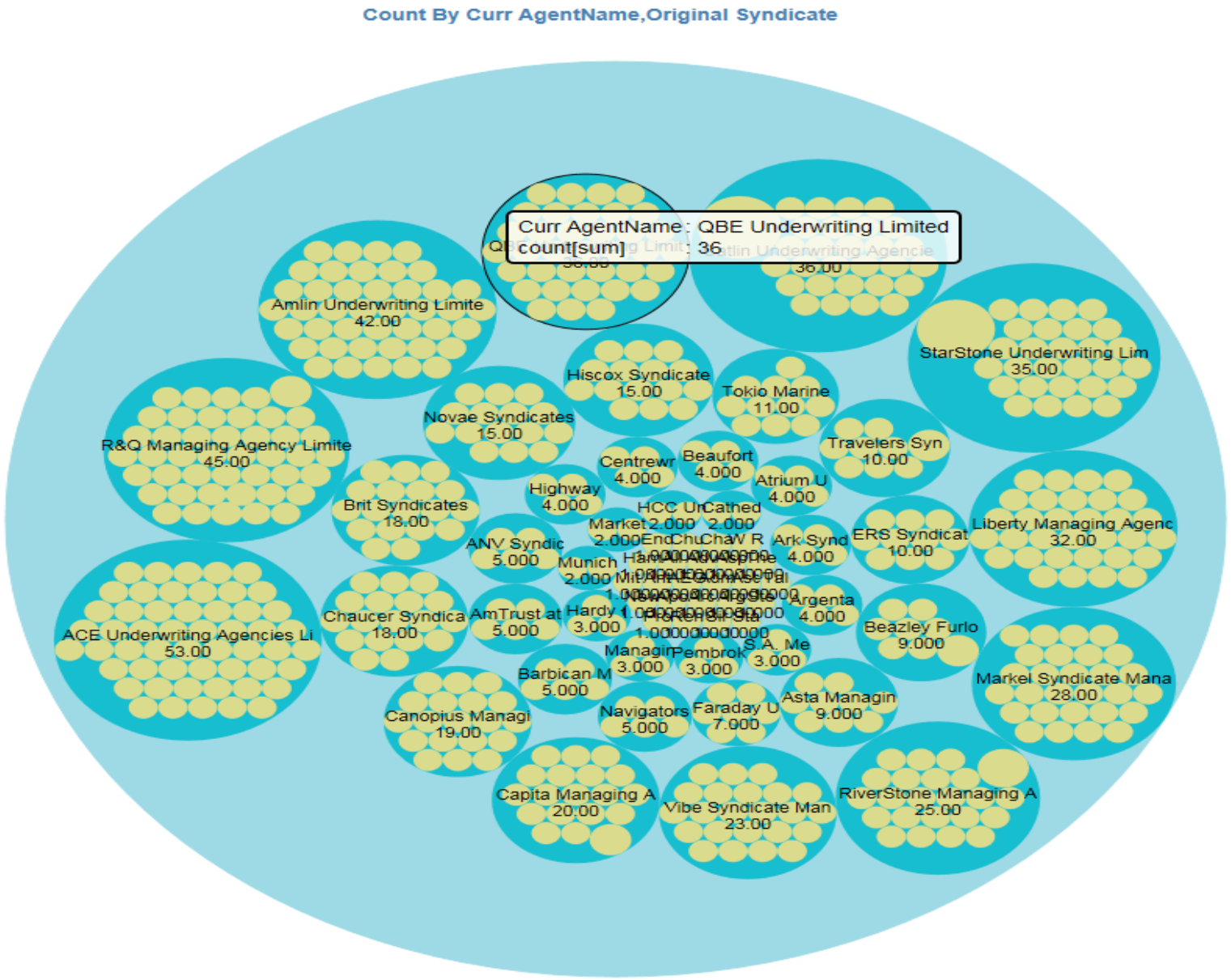




Source: EY – Global Insurance M&A Themes 2016
http://www.ey.com/Publication/vwLUAssets/ey-global-insurance-ma-themes-2016/$FILE/ey-global-insurance-ma-themes-2016.pdf



Source: Lloyd's RITC statistics (www.lloyds.com)



Source: Lloyd's RITC statistics (www.lloyds.com)

Landscape - Technology

Landscape - Technology

Move away from centralised BI to distributed:

- BI Tools targeting End User Computing
- Lightweight, web-based solutions (+ Cloud-BI)

Evolving architectures:

- Enterprise Data Warehouse vs Federated Data Services ?
- Application / system consolidation
- Cloud & Virtualization vs Appliance server

Establishment of newer capabilities:

- End-user “Big Data” – R compatibility
- Evolution from Modelling to Machine Learning and then Artificial Intelligence

Thoughts?

If it hasn't happened yet…
It probably will

If it has happened…
It will probably happen again

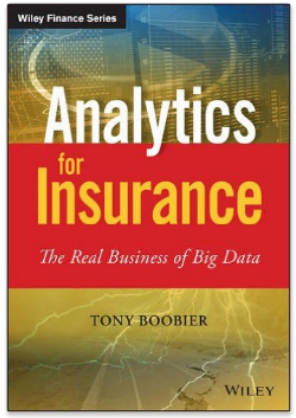
The secret is to plan and design accordingly

THANK YOU!

Q & A

USEFUL RESOURCES

www.distlytics.com



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