

Half year 2022 review

Non-life insurance run-off deals

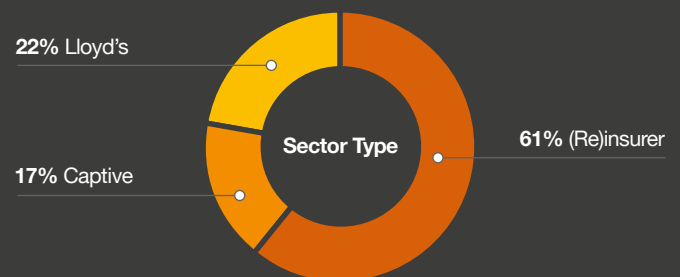
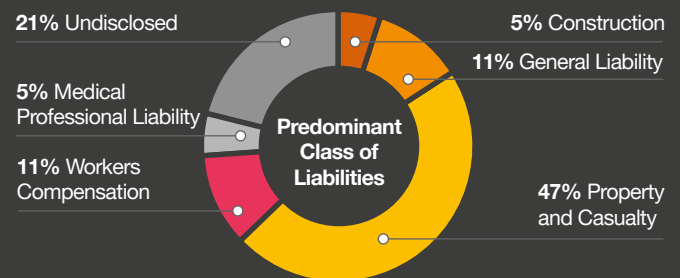
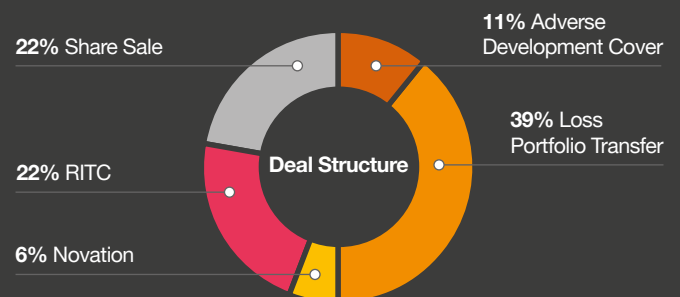
July 2022

Throughout the first half of 2022, the North American market continued to be the most active in terms of transaction activity and magnitude with 11 publicly disclosed deals completing. The period included two LPTs and two property and casualty transactions announced by Fortitude Re. The UK & Ireland saw 5 deals disclosed including a further 4 Lloyd's transactions. This means that some 28 disclosed Lloyd's legacy deals have been concluded since 2019.

The sector has continued to see a variety of deal sizes with deals ranging in H1 from \$10m to \$3.1bn and 10 acquirers having closed transactions. Property and Casualty remained the predominant class transacted with General Liability and Worker's Compensation also featuring prominently.

Inflation has been a significant talking point in the first half of 2022 and will continue to be an important factor in deal pricing in the second half of the year. We continue to see unexpired risk presented in deals as being another issue that acquirers are seeking solutions for and as previously predicted the number of corporate asbestos deals in play is increasing which is attracting new entrants and causing insurance legacy acquirers to contemplate new structures too.

Transactions by volume:



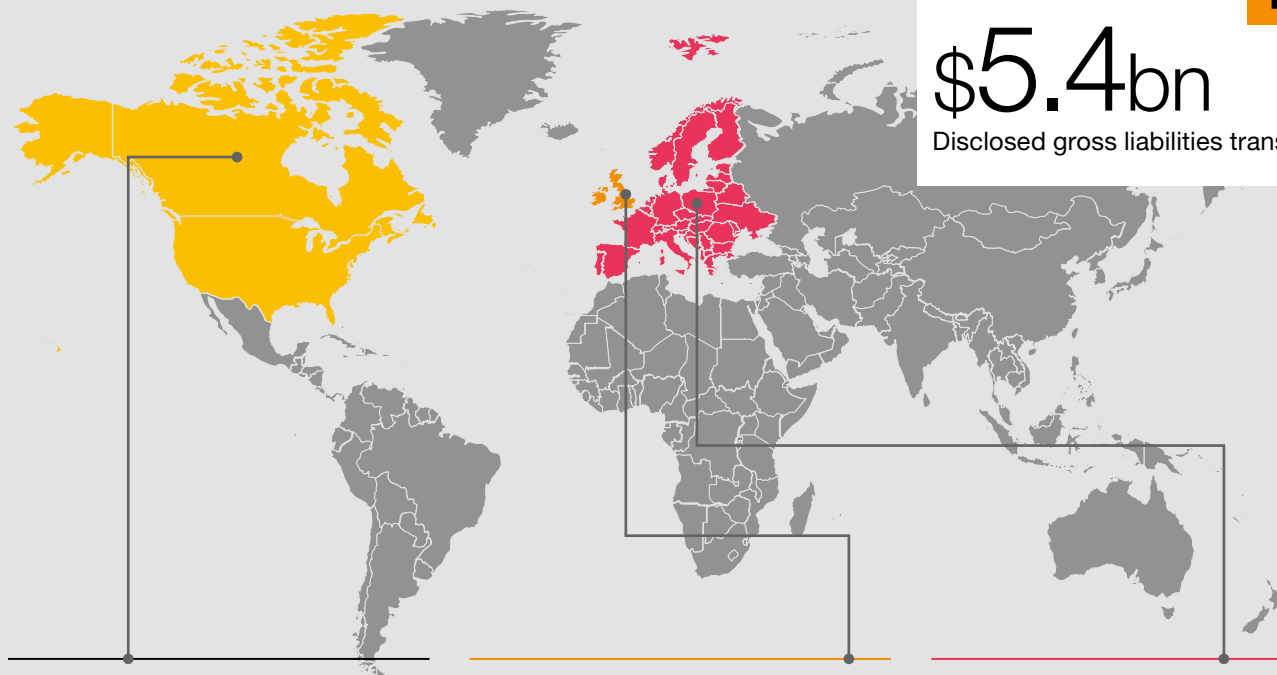
H1 2022 Deal Activity by Region

Grand Total

H1 2022 deals announced **18**

\$5.4bn

Disclosed gross liabilities transacted



North America

H1 2022 number of disclosed deals **11**

\$4.7bn

Disclosed gross liabilities transacted

UK and Ireland

H1 2022 number of disclosed deals **5**

\$0.7bn

Disclosed gross liabilities transacted

Continental Europe

H1 2022 number of disclosed deals **2**

\$0bn

Disclosed gross liabilities transacted

Deals in H1 2022

| Acquirer Group | Target | Country of Target | Territory | Type of Deal | (Re)insurer/ Lloyds/ Captive/ Corporate | Predominant class of liabilities |
|---------------------------------|---|-------------------|--------------------|---------------------------|--|--|
| Catalina Holdings (Bermuda) Ltd | Subsidiaries of QBE Insurance Group Ltd. | Bermuda | North America | Loss Portfolio Transfer | (Re)insurer | General liability |
| Cowen | Kelvin Re | USA | North America | Share Sale | (Re)insurer | Undisclosed |
| DARAG | Unnamed Guernsey based reinsurance captive | Guernsey | Continental Europe | Share Sale | Captive | Property and Casualty |
| DARAG | Undisclosed | USA | North America | Novation | Captive | Property and Casualty |
| Enstar | Aspen Insurance Holdings Limited | Bermuda | North America | Loss Portfolio Transfer | (Re)insurer | Diversified Property, Liability, and Specialty lines |
| Fortitude Re | JRG Reinsurance Company Ltd | Bermuda | North America | Loss Portfolio Transfer | (Re)insurer | Property and Casualty |
| Fortitude Re | Undisclosed | Bermuda | North America | Loss Portfolio Transfer | (Re)insurer | Property and Casualty |
| Fortitude Re | Plans' Liability Insurance Company | USA | North America | Share Sale | (Re)insurer | Property and Casualty |
| Maiden Holdings | Applied Medico-Legal Solutions Risk Retention Group | USA | North America | Adverse Development Cover | (Re)insurer | Medical Professional Liability |
| Maiden Holdings | Mary Free Bed Rehabilitation Hospital | USA | North America | Adverse Development Cover | (Re)insurer | Workers Compensation |
| Marco | Verto Syndicate | UK | UK & Ireland | RITC | Lloyd's | Property and Casualty |
| R&Q | Firstgroup Plc | UK | UK & Ireland | Loss Portfolio Transfer | (Re)insurer | Undisclosed |
| R&Q | Hiscox | Bermuda | North America | Loss Portfolio Transfer | (Re)insurer | Property and Casualty |
| RiverStone | Crum & Forster | USA | North America | Loss Portfolio Transfer | (Re)insurer | Construction |
| RiverStone | MS Amlin | UK | UK & Ireland | RITC | Lloyd's | Property and Casualty |
| RiverStone | Acappella Syndicate 2014 | UK | UK & Ireland | RITC | Lloyd's | Property and Casualty |
| RiverStone | Pioneer Syndicate 1980 | UK | UK & Ireland | RITC | Lloyd's | Undisclosed |
| Swiss Re | Champlain Reinsurance Company | Switzerland | Continental Europe | Share Sale | Captive | General Liability and Workers Compensation |

How we can support our clients

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 analysis



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

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



[Non-life insurance run-off deals Q1 22](#)



[Non-life insurance run-off deals 2021](#)



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[Global Insurance Run-off Survey 2021](#)

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About the data

The data used in this publication has been sourced from company announcements and other publicly available information from date of publication rather than from completion date.

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