



2025 Insurance M&A Outlook Expectations for Germany

With inflation moderating in much of the world, global insurance M&A activity remained largely stable in 2024. Some trends, like consolidation in the distribution market, are playing out across multiple regions. Others, such as an imbalance between buyers and sellers, reflect nuances that are particular to a country.

Against that backdrop, what will insurance deal-making look like in 2025? Deloitte's teams are looking at insurance M&A in several markets. Some insurance M&A trends we are seeing in Germany are:



1

Full steam ahead for broker consolidation

Activity on the broker markets remains high and is expected to remain at this considerable level for years to come. Additional consolidation platforms have once again entered the market to become active and take advantage of the current momentum for acquisitions. Besides commercial non-life broker business, private lines brokers and brokers from neighboring countries are increasingly being targeted. Watch the private equity space for more secondary deals and investments in insurance distribution consolidators.

2

An M&A revival for risk carriers

The most prominent domestic transaction of 2024 was mutual insurer Gothaer Group's merger with Barmenia Insurance Group. Shortly after that transaction was completed, two other mutual groups—Stuttgarter Versicherungsgruppe and SDK Versicherungsgruppe—announced their plans to merge. In the wake of these deals, and amid an ongoing rise in valuations, insurance risk carriers may be more willing to merge with competitors. The consolidation of smaller and medium-sized insurance groups is likely to gain new momentum in 2025 while multinational risk carrier groups expand and rebuild their portfolios internationally.



3

Technology as a deal driver

Established market incumbents and market participants are pursuing urgently needed, sector-wide IT modernization, though the outcome remains to be seen. An expected economic downturn in Germany could discourage companies from investing sufficiently in digitalization and technology. But as it stands going into 2025, digitalization platform simplification and other technological challenges are poised to boost insurance M&A activity. With greater investment in tech-oriented companies, IT due diligence will become essential in every transaction.



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