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2026 insurance
M&A outlook

Eye on the ball

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Introduction

After a period of uneven and often cautious deal activity, insurance mergers and acquisitions signaled renewed momentum in 2025. While large, headline transactions remained the exception rather than the rule, deal discussions picked up across several segments, particularly in the back half of the year. Greater clarity about interest rates, capital positioning, and regulatory expectations helped bring previously deferred ideas back onto the table, even as valuation discipline and execution complexity continued to shape what ultimately got done.

Looking ahead to 2026, the outlook feels more balanced than exuberant. Many insurers have entered the year with stronger balance sheets and more room to maneuver, but also with a more measured view of risk, growth, and integration. Instead of a broad-based resurgence in dealmaking, M&A activity may consist of targeted moves, evolving deal structures, and a sharper focus on capital efficiency and long-term value. The question for industry participants is less about whether opportunities will emerge, and more about which organizations are positioned to pursue them—and how prepared they are to act.

2025 in review

Compared with 2024, insurance M&A activity in the United States and Bermuda became more selective. While total deal volume fell, capital concentrated into larger transactions, with the biggest shift in the

property and casualty (P&C) space. Meanwhile, brokers experienced a broad-based slowdown, and life and annuity (L&A) showed volume-driven growth with smaller average deal sizes (figure 1).¹

Figure 1. Insurance sector M&A activity, 2024–2025 (United States and Bermuda)

	Number of deals			Aggregate deal value			Average deal value		
	CY 2024 ¹	CY 2025 ²	YoY Change	CY 2024 ¹	CY 2025 ²	YoY Change	CY 2024 ¹	CY 2025 ²	YoY Change
Underwriters	43	44	2%	\$17.8B	\$27.6B	55%	\$1.0B	\$1.5B	47%
Life and annuity (L&A)	11	18	64%	\$11.1B	\$16.6B	49%	\$2.2B	\$1.8B	-17%
Property and casualty (P&C)	32	26	-19%	\$6.7B	\$11.0B	64%	\$0.5B	\$1.1B	113%
Brokers	476	411	-14%	\$32.1B	\$15.1B	-53%	\$2.1B	\$1.1B	-50%
Total	519	455	-12%	\$49.9B	\$42.7B	-14%	-	-	-

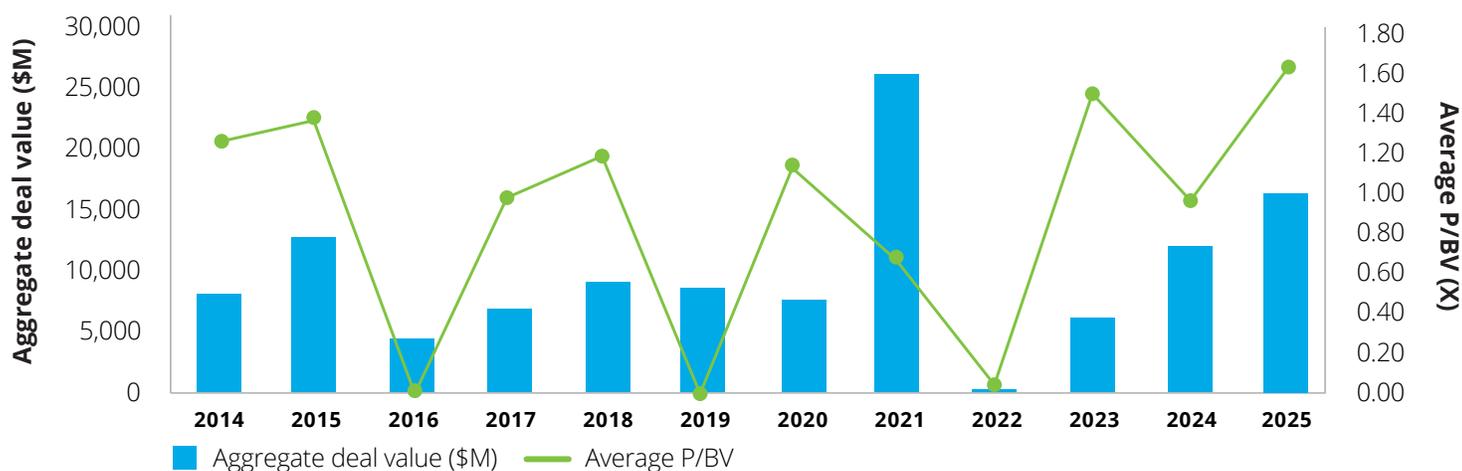
1. CY 2024 represents full calendar year 2024.

2. CY 2025 represents full calendar year 2025.

Source: Deloitte analysis utilizing SNL Financial M&A database

L&A insurance M&A was the most active underwriting segment in 2025, with deal volume up 64% year over year and aggregate deal value increasing 49%. The rise in total value was supported by six \$500-million-plus transactions, compared with only two in 2024 (figure 2).²

Figure 2. M&A trends for life and annuity (United States and Bermuda)
Price-to-book value multiples



Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of deals	17	28	20	31	26	22	13	24	16	17	11	18
Size of deals (\$M)												
Low	3.0	1.5	7.3	0.0	0.3	18.5	1.8	20.0	70.0	10.0	210.0	16.9
High	1.5	7.3	0.0	0.3	18.5	1.8	20.0	70.0	10.0	210.0	16.88	-
Average	7.3	0.0	0.3	18.5	1.8	20.0	70.0	10.0	210.0	16.9	-	-
Observed P/BV deal multiples												
Low	1.29x	0.10x	0.18x	0.64x	0.39x	NA	1.15x	NA	NA	0.80x	1.00x	1.02x
High	1.29x	2.17x	4.97x	1.28x	1.21x	NA	1.15x	NA	NA	2.30x	1.00x	2.50x
Average	1.29x	1.40x	NA	0.99x	1.21x	NA	1.15x	0.69x	NA	1.52x	1.00x	1.67x
Median	1.29x	1.13x	2.58x	0.96x	0.80x	NA	1.15x	0.59x	NA	1.47x	1.00x	1.47x

Notes:

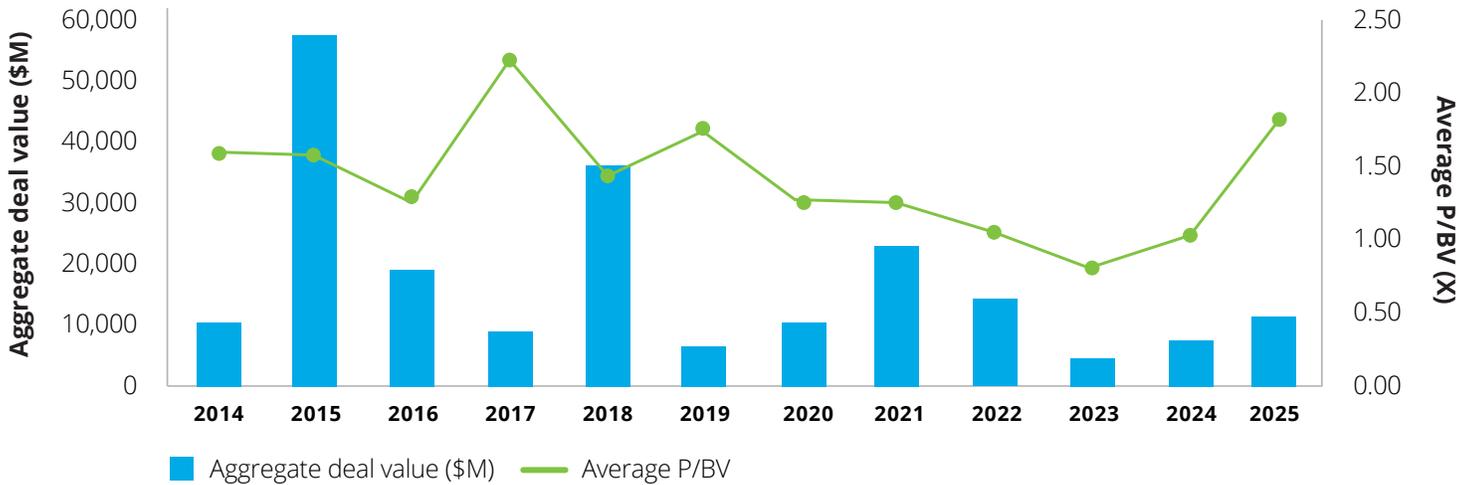
- Transactions represent US and Bermuda companies making acquisitions on a global basis and international buyers making acquisitions in US and Bermuda.
- Insurance underwriters include P&C, L&H, Multiline, Title, Mortgage Guaranty and Finance Guaranty sectors covered by SNL Financial.
- Transactions grouped by the year they were announced.
- Deal multiples represent closed multiples, unless the transaction is still pending close.
- Outliers have been removed from the average deal multiples. Outliers include all deals with a P/BV multiple smaller than 0.5x or greater than 3.0x.
- Analysis as of 12/31/2025.
- SNL has noted that some numbers may not reconcile to prior years as there may be a lag between deal public announcement and disclosure.
- SNL classifies the Annuity segment in Life and Health.

Source: SNL Financial

P&C underwriting M&A activity declined in volume in 2025, with deal count down about 19% from 2024. Despite fewer transactions, aggregate deal value rose sharply (up 64%), reflecting a pronounced

shift toward larger, more strategic acquisitions. This increase was driven by five transactions that exceeded \$500 million each, compared with just one such transaction in 2024 (figure 3).³

Figure 3. M&A trends for property and casualty (United States and Bermuda)
Price-to-book value multiples



Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of deals	65	51	70	53	61	38	52	43	38	35	32	26
Size of deals (\$M)												
Low	1.3	0.3	0.3	1.4	1.80	5.3	2.3	5.5	7.7	16.3	9.4	7.0
High	1,671.3	28,240.3	6,303.8	1,906.2	15,388.0	3,100.0	3,940.0	9,000.0	11,569.4	2,985.0	4,551.6	3,472.8
Average	199.4	1,636.1	408.8	372.2	1,137.8	447.6	687.3	1,468.2	962.8	620.9	513.9	1,097.0
Observed P/BV deal multiples												
Low	0.14x	0.99x	0.21x	1.50x	0.50x	0.87x	0.53x	0.76x	0.78x	0.59x	0.81x	1.06x
High	2.83x	2.53x	1.45x	2.88x	4.07x	2.87x	1.85x	1.97x	1.26x	0.97x	1.07x	2.93x
Average	1.50x	1.48x	1.19x	2.08x	1.35x	1.63x	1.19x	1.18x	1.02x	0.78x	0.95x	1.78x
Median	1.43x	1.29x	1.14x	1.97x	1.53x	1.15x	1.19x	0.96x	1.02x	0.78x	0.98x	1.55x

Notes:

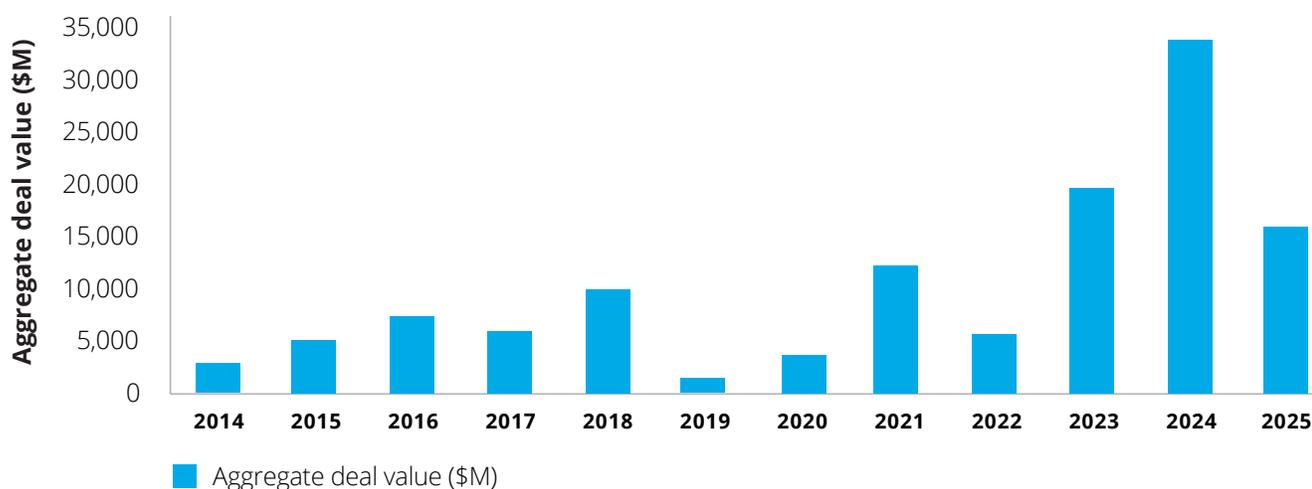
- Transactions represent US and Bermuda companies making acquisitions on a global basis and international buyers making acquisitions in US and Bermuda. Property & Casualty include P&C, Multiline, Title, Mortgage Guaranty and Finance Guaranty sectors covered by SNL Financial.
- Transactions grouped by the year they were announced.
- Deal multiples represent closed multiples, unless the transaction is still pending close.
- Outliers have been removed from the average deal multiples. Outliers include all deals with a P/BV multiple smaller than 0.5x or greater than 3.0x.
- Analysis as of 12/31/2025.
- SNL has noted that some numbers may not reconcile to prior years as there may be a lag between deal public announcement and disclosure.

Source: SNL Financial

Brokerage M&A activity in 2025 continued its multi-year moderation, with deal count down roughly 14% and aggregate deal value declining 53% from 2024. While headline figures suggest a significant pullback, the year-over-year comparison is heavily skewed by the absence of a mega-deal comparable to Arthur J. Gallagher's \$13.5 billion

acquisition of AssuredPartners in 2024.⁴ Excluding that transaction, the decline in aggregate value would have been closer to 19%, indicating a more measured slowdown. Private equity participation remained stable at roughly 50% of transactions (figure 4).⁵

Figure 4. M&A trends for insurance brokers (United States and Bermuda)
Aggregate deal value



Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Number of deals	351	492	457	537	594	611	555	802	584	485	476	411

Notes:

- Transactions represent US and Bermuda companies making acquisitions on a global basis and international buyers making acquisitions in US and Bermuda.
- Transactions grouped by the year they were announced.
- Analysis as of 12/31/2025.
- SNL has noted that some numbers may not reconcile to prior years as there may be a lag between deal public announcement and disclosure.
- Outliers have been removed from the average deal multiples. Outliers include all deals with a P/E multiple smaller than 5.0x or greater than 20.0x.

Source: SNL Financial

Expectations for 2026

1. Profitable growth may increasingly shape selective insurance M&A strategies

In 2026, insurers may continue to refine their M&A strategies with an emphasis on profitable growth, while remaining open to scale where it enhances long-term value. After several years of portfolio rebalancing and capital discipline, some organizations could have more room to redeploy capital, even as a softening P&C market makes organic growth harder to come by. In that environment, M&A may regain appeal as a way to reposition portfolios, fill specific capability gaps, or sharpen strategic focus.

This shift is less likely to result in a wave of transformational deals and more likely to favor targeted, asset-light transactions. Insurers may look to shed businesses that consume disproportionate capital or require sustained investment, particularly where technology demands weigh on returns. Allstate's sale of its group health business to Nationwide in July 2025 for \$1.25 billion offers a clear example of how carriers may use targeted divestitures to simplify portfolios.⁶

At the same time, better-capitalized buyers could pursue opportunities like renewal rights, block acquisitions, specialty platforms, or carve-outs. While this dynamic is most visible in commercial and specialty P&C, similar reassessments could emerge across life, annuities, and group insurance as firms take a fresh look at capital efficiency across their portfolios. If this approach gains traction, dealmaking in 2026 may look more modular and repeatable, with an emphasis on flexibility and execution speed.

2. Specialty P&C, excess and surplus, and managing general agents may remain key focal points for private capital

Private capital is expected to stay active in specialty P&C, excess and surplus, and managing general agent (MGA) platforms in 2026. These segments continue to attract interest because they offer underwriting flexibility and fee-based economics that can be scaled without heavy balance sheet commitments. Even as competition intensifies, they may remain appealing to investors seeking growth tied closely to underwriting performance.

That interest, however, is likely to come with greater selectivity. Valuation differences could widen between platforms with a clear underwriting edge and those more dependent on favorable market conditions. Apollo's August 2025 agreement to sell Bermuda-based

specialty underwriter Aspen Insurance Holdings to Sompco for \$3.5 billion highlights continued demand for differentiated specialty platforms.⁷ MGAs and specialty carriers that can clearly explain how they select risk, use data, and stand apart in distribution are likely to remain in demand, while others may encounter more cautious acquirer interest.

3. Insurance brokerage M&A will likely continue, with momentum shifting toward digestion and targeted expansion

Large brokers are still scaling, as illustrated by Brown & Brown's \$9.8 billion acquisition of Accession Risk Management in June 2025.⁸ Looking ahead, however, the emphasis may shift further toward integration and operational refinement. After several years of rapid expansion, many acquirers are spending more time simplifying what they already own—bringing systems together, streamlining processes, and improving efficiency as organic growth moderates.

Against that backdrop, M&A activity may tilt toward tuck-in acquisitions that add depth in specific industries, regions, or benefits capabilities. Some brokers may also revisit assets acquired earlier in the cycle to assess ongoing strategic fit. As expectations for cybersecurity, data protection, and vendor oversight continue to rise, these considerations are likely to play a larger role in diligence and integration planning, subtly shaping which deals move forward and how they're executed.

4. AI-driven capability acquisitions may move toward underwriting advantage and claim management improvements

Technology-focused M&A in insurance may become more deliberate in 2026. Rather than pursuing broad digital transformation narratives, insurers could increasingly look for artificial intelligence (AI) and analytics capabilities that directly support underwriting, pricing, and portfolio management. The emphasis may shift from speed alone toward improving the quality of decision-making.

Recent developments in Generative AI have sharpened the industry's focus on these capabilities. On February 9, 2026, news of Insurify's integration with ChatGPT sent several major brokerage stocks tumbling.⁹ The impact felt across the insurance stock prices reflects the reality that AI is no longer a distant innovation but a potential disruptor inside of distribution and underwriting.

CCC Intelligent Solutions' acquisition of EvolutionIQ, which closed at the beginning of 2025, illustrates this shift in practice.¹⁰ The deal highlights how insurers and insurance-adjacent platforms are acquiring applied AI to enhance claims decisioning and outcomes, rather than pursuing technology for its own sake. Talent is likely to remain central to these transactions, with acquirers placing a premium on teams that combine technical sophistication with insurance judgment. As oversight of AI use continues to mature, buyers may gravitate toward targets that can demonstrate thoughtful governance and clear, real-world impact.

5. Life, annuity, and asset management convergence may continue quietly and incrementally

M&A activity in life insurance and annuities is expected to remain steady in 2026, though much of it may unfold outside the spotlight. Instead of large-scale mergers, transactions are likely to focus on block deals, reinsurance arrangements, and distribution-driven combinations that address specific strategic needs. Aquarian Capital's November 2025 agreement to acquire Brighthouse Financial for \$4.1 billion reflects continued investor interest in scaled retirement and annuity platforms.¹¹

Asset managers and private capital are likely to remain important partners, particularly where investment capabilities support annuity growth or long-term returns. As capital frameworks evolve, there may be growing preference for deal structures that are easier to explain and manage, reinforcing a move toward modular approaches that balance innovation with transparency.

6. Cross-border capital may remain a durable, if selective, source of deal flow in the United States

Inbound investment into the US insurance market could remain a meaningful feature of 2026, especially from Japanese insurers and Middle Eastern capital seeking diversification and access to specialty platforms. These transactions are often driven by long-term strategic goals rather than short-term financial outcomes. Munich Re's \$2.6 billion acquisition of digital-first NEXT Insurance, completed in July 2025, is an example of inbound strategic capital pursuing US distribution and technology-enabled specialty exposure.¹²

As global solvency and governance expectations continue to evolve, cross-border buyers may place greater emphasis on structures that align cleanly with US regulatory norms. This focus is likely to influence how deals are designed more than whether they proceed, reinforcing demand for high-quality platforms with transparent risk profiles and clear operating models.

7. Group insurance consolidation may remain uneven, with pressure building over time

Group insurance M&A is likely to remain episodic in 2026, reflecting both the importance of the segment and the complexity of executing transactions. Scale may continue to matter not only for pricing and distribution, but also for funding the technology and service capabilities employers increasingly expect.

While some larger carriers may choose to build capabilities or expand product portfolios internally, subscale players could face growing pressure to find partners or buyers. Ongoing employer benefits administrative and regulatory complexity may further elevate the value of platforms or businesses that combine technology, operations, and regulatory know-how into a single, scalable system. Health Care Service Corporation's sale of its life and disability business to Symetra underscores how scale is necessary to enable investment in emerging capabilities demanded by the market, such as disability claims and absence management.¹³

8. Alternative capital and sidecars may further blur the line between M&A and risk transfer

Alternative capital structures are likely to remain an important part of the insurance growth toolkit over the next year. Sidecars and structured partnerships may continue to offer flexible ways to expand capacity, manage volatility, and pursue growth without fully committing balance sheets. Carlyle-backed Fortitude Re's launch of a \$700 million reinsurance sidecar in October 2025 provides one recent example of how these tools are being used to support strategic growth.¹⁴

As these structures become more prevalent, the distinction between M&A and risk transfer may continue to fade. Greater attention to capital clarity and risk transfer effectiveness could encourage more disciplined structuring, but interest in these approaches is unlikely to wane, particularly among participants seeking exposure to specialty or catastrophe-related growth.

Wild cards to watch in 2026

Market and operational pressures could drive defensive consolidation

One wildcard for 2026 is whether softer P&C market conditions and rising operational demands collide more quickly than expected. If margin pressure coincides with higher expectations around governance, data, and capital management, some insurers may increasingly view consolidation as a practical response.

In that environment, M&A could be driven as much by the need for resilience and scale as by growth ambitions. Early movers may find greater choice and flexibility, while those that wait could face a narrower—and potentially more difficult—set of options.

Bermuda: From growth engine to strategic platform

After several years of strong deal momentum, Bermuda's insurance M&A market may be entering a more selective phase. Greater clarity about regulatory expectations, capital standards, and taxation has reduced some of the uncertainty that slowed activity in prior periods, which could support renewed confidence in deal execution.

In life and annuities, Bermuda-based platforms may continue to support capital-efficient growth, although increased scrutiny of reserve credits and group capital frameworks could moderate more aggressive approaches. Interest from international insurers and sovereign-backed capital may persist, particularly from Asia and the Middle East. Beyond life and annuities, Bermuda could also see selective activity in specialty P&C and reinsurance, especially where alternative capital and sidecar structures are involved, reinforcing its role as a hub for complex insurance transactions.

Optionality favors the prepared

The insurance M&A environment appears to be gradually reopening, shaped less by urgency and more by choice. Stronger balance sheets, better visibility into capital expectations, and more flexible deal structures have created conditions where transactions may proceed with greater confidence. At the same time, underwriting cycles and investment demands suggest activity will likely remain targeted.

As insurers look ahead to 2026, preparation may matter as much as appetite. Clarifying strategic priorities, understanding capital flexibility, and identifying opportunities early can help firms move with intent. Just as important is operational readiness, from integration planning to governance alignment. This way, organizations can act decisively when opportunities arise, rather than reacting once competitive pressure builds.



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Endnotes

1. Deloitte analysis as of 12/31/2025 using SNL Financial database.
2. Deloitte analysis as of 12/31/2025 using SNL Financial database. Transactions represent US and Bermuda companies making acquisitions on a global basis and international buyers making acquisitions in US and Bermuda. Transactions grouped by the year they were announced. Deal multiples represent closed multiples, unless the transaction is still pending close. Outliers have been removed from the average deal multiples. Outliers include all deals with a P/BV multiple smaller than 0.5x or greater than 3.0x, except in 2016. SNL has noted that some numbers may not reconcile to prior years as there may be a lag between deal public announcement and disclosure. SNL classifies the annuity segment in life and health.
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