



Gill and Roeser, Inc.
535 Fifth Avenue
New York, NY 10017

SOCIETY OF INSURANCE FINANCIAL MANAGEMENT

**AN ANALYSIS
FORKS IN THE INSURANCE CAPITAL ROAD**

Supporting Charts for the Speech by

Herbert E. Goodfriend

**Senior Vice President
Gill and Roeser, Inc.**

**Thursday, December 11, 2003
3:50 P.M.**

at

**Marriott Marquis Hotel
New York City**

ANNOUNCED DEALS 2003 Year-to-Date (thru November 30, 2003)

	2003 Year-to-Date	Full Year 2002
<u>Insurance & Managed Care</u>		
Deals Announced	249	279
Total Value	\$56 bn	\$9.68 bn
<u>Life & Health</u>		
Deals Announced	23	29
Total Value	\$13 bn	\$3.2 bn
<u>Property & Casualty</u>		
Deals Announced	55	40
Total Value	\$22 bn	\$385.5 M
<u>Broker & Agency</u>		
Deals Announced	156	190
Total Value	\$737.6M	\$1.1 bn

Source: SNL Financial

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MAJOR COMPLETED DEALS 2003

<u>Buyer</u>	<u>Seller</u>	<u>Deal Value</u>
AIG	GE US Auto & Home Business & GE's Japanese Life	\$4.65 bn
Bank One	Zurich US Life Operations	\$.500 M
Travelers P&C	Royal & SunAlliance US (renewal rights/commercial)	\$.065 M+
Investor Group	Republic Insurance (Credit Suisse)	\$.127 M
Coventry Health Care	Altius Health Plans	\$.041 M
Brown & Brown	Washington Insurance Services	NA
Wells Fargo & Co.	Care Insurance Services	NA
Wellpoint	Cobalt	\$.885 M
Hilb Rogal & Hamilton	Hobbs Group LLC	\$.243 M
Clark Bardes	Long Miller & Associates	\$.405 M
Prudential U.S.	American Skandia	NA
Sun Life Financial	Clarica Life	NA
Bisys Group	USA Insurance Group	NA
MetLife	John Hancock Financial Services	\$.089 M

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2002

	<u>All Deals</u>	<u>All Ins. Deals</u>	<u>P&C</u>	<u>L&H</u>
GAAP P/E	32.5	NM	NM	40.5
GAAP P/B	1.798x	1.697x	1.150	1.217
Statutory P/B	NM	1.976x	1.548	2.236
Greater Than \$100 M				
GAAP P/E	19.8	19.8	NA	19.8
GAAP P/B	2.81x	2.76	NA	6.6
Statutory P/BV	NM	2.62	NA	2.62

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2003 Year-to-Date

P-C

GAAP Equity
Median 0.8x
Mean 0.8x

Statutory Surplus
Median 1.2x
Mean 1.2x

GAAP Operating Earning
Median 10.0x
Mean 10.0x

Statutory Operating Earnings
Median 13.0x
Mean 26.0x

Life

GAAP Equity
Median 1.0x
Mean 1.0x

Statutory Operating Earnings
Median 14.0x
Mean 16.0x

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