



# FinTech: Insurance Technology

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Software Market Review & Analysis



Alkali Partners

Technology Investment Banking



# Broad FinTech Market Trends

## Accelerating FinTech Momentum

**Sector Overview:** The FinTech market continues to demonstrate resilience, supported by digital adoption, strong institutional backing, and renewed M&A activity. Growth is being driven by scalable, tech-enabled platforms and investor focus on sustainable profitability and integration efficiency.



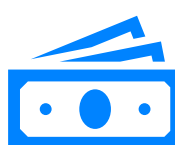
**Digital Infrastructure:** Cloud-native systems, open APIs, and embedded finance are reshaping financial services delivery and enabling cross-industry integration.



**AI Adoption:** Integration of AI and automation is enhancing underwriting, compliance, and personalization, driving valuation premiums of 1-2 revenue turns for data-rich platforms.













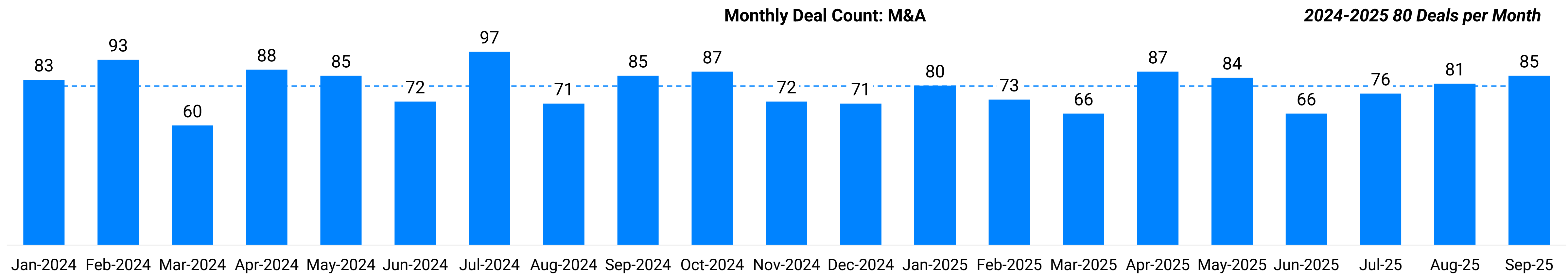
**Consolidation Trend:** Cross-sector deals in payments, wealth, and infrastructure continue, with financial sponsors executing add-ons to achieve scale and 20% cost synergies through integration.



**Institutional Capital Flows:** Growth and PE investors remain active (over \$20 B in financing volume year-to-date), favoring later-stage and infrastructure-driven FinTechs.

Top 5 Largest M&A Deals Announced in Q2 2025

EV (\$M)	Target	Acquirer	Sector
24,250			Payments
14,200			Real Estate and Mortgage Tech
13,500			Payments
2,862			Capital Tech Markets
2,500			Payments



\*Through Q3, 2025  
Sources: PitchBook, Houlihan Lokey, FRED

# Next Wave in Insurance Technology


## Continued Strategic Consolidation in InsurTech


The Insurance Technology sector is poised for renewed growth as insurers are selectively applying AI and analytics across underwriting, claims, and risk to drive efficiency and differentiation. Market consolidation remains disciplined, with acquirers targeting scalable platforms and defensible IP. Valuation multiples have stayed relatively stable, bolstered by clearer visibility into AI-enabled cost savings and operational resilience.


Notable transactions include:

- ERGO acquired NEXT Insurance in March to expand its digital SMB insurance footprint.
- Skyward Specialty bought Apollo Group in September to strengthen its tech-enabled underwriting.
- Bain Capital acquired Jensten Group in September to build a scaled insurance distribution platform.

Trends

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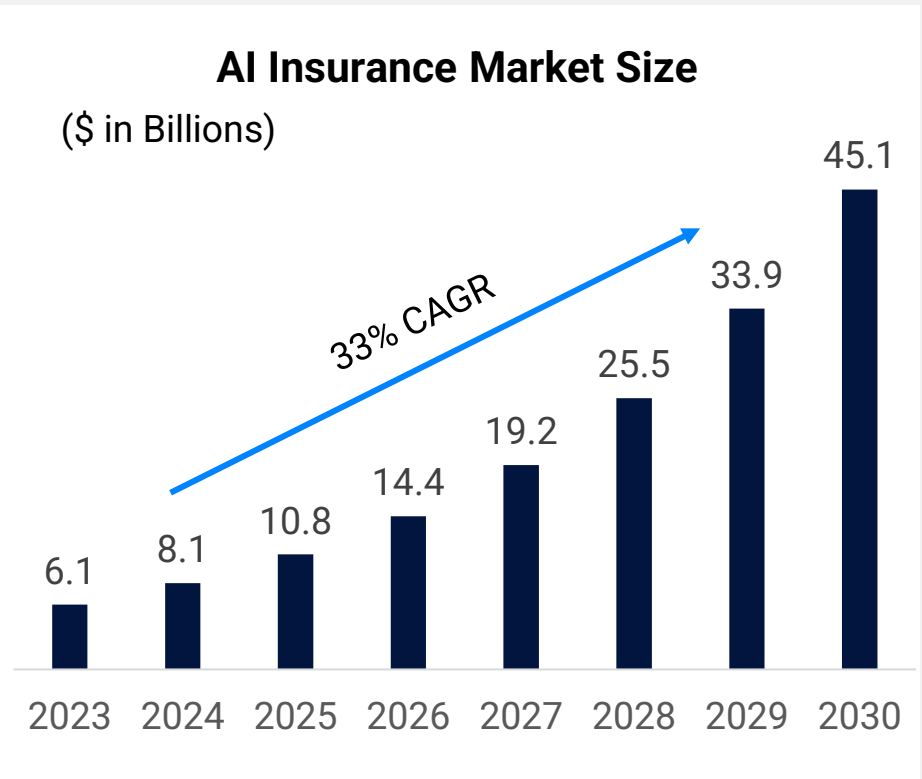
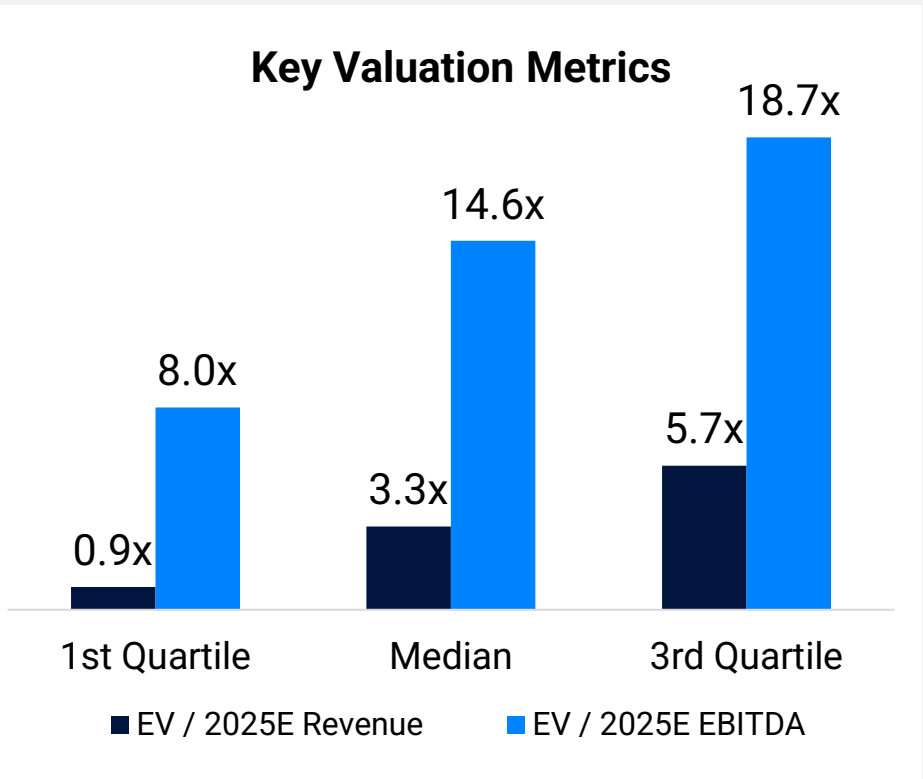
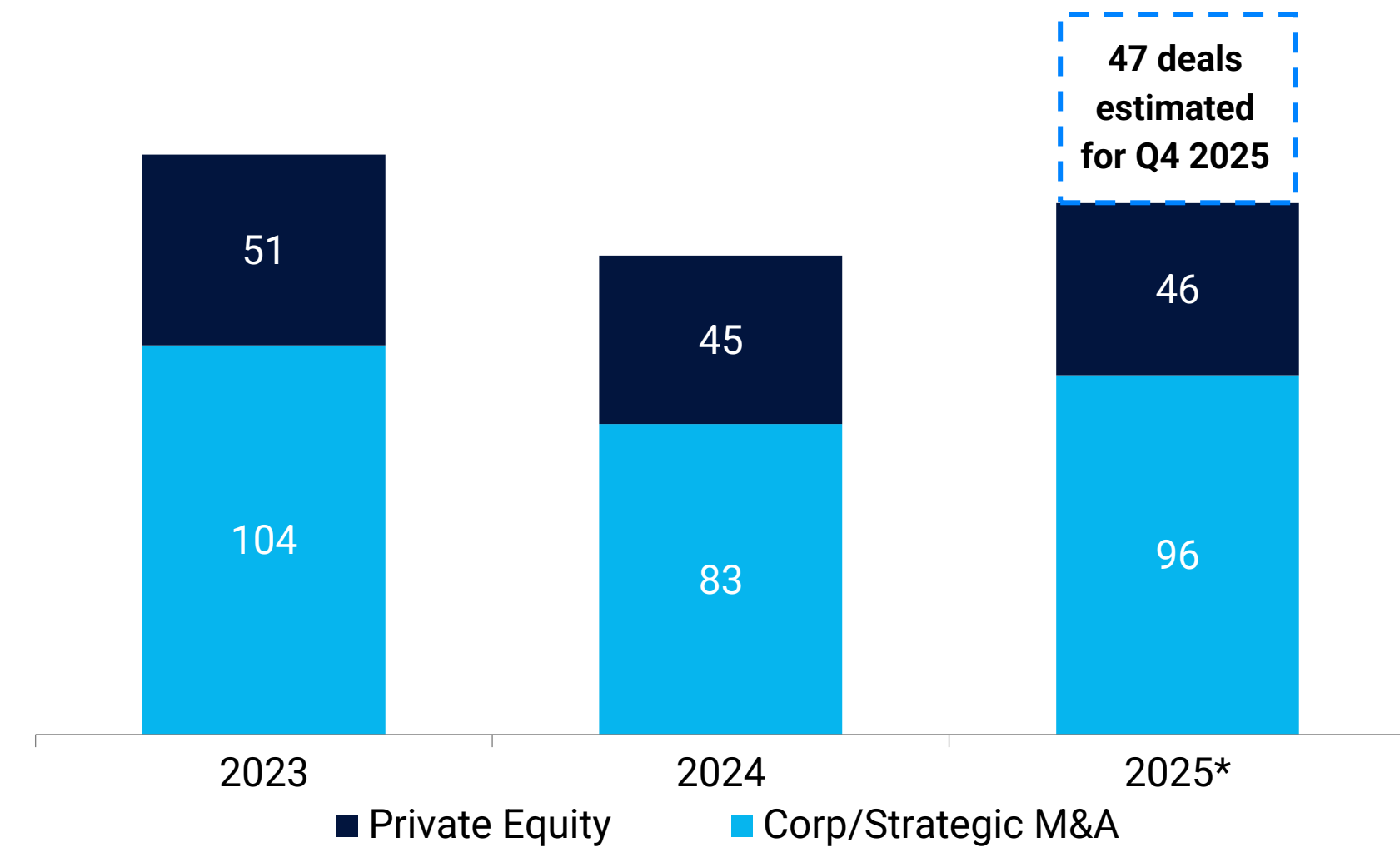
**GenAI in all Workflows:** Insurers are pushing generative AI into underwriting, claims processing, and customer interactions to boost efficiency and personalization.
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**Climate / Parametric Acceleration:** InsurTechs are launching parametric products and advanced risk models as climate volatility drives demand for faster, data-driven coverage.
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**Platform Convergence and Bundling:** Incumbents and fintechs are merging capabilities to build integrated insurance-finance ecosystems with embedded distribution.

Insurance Technology Deal Count

2025 deal volume has surpassed 2024 numbers, through Q3 **both strategic acquirers and private equity have been more acquisitive than all of 2024.**



Public Companies







Sponsor Backed Companies







Traditional Buyout Sponsors







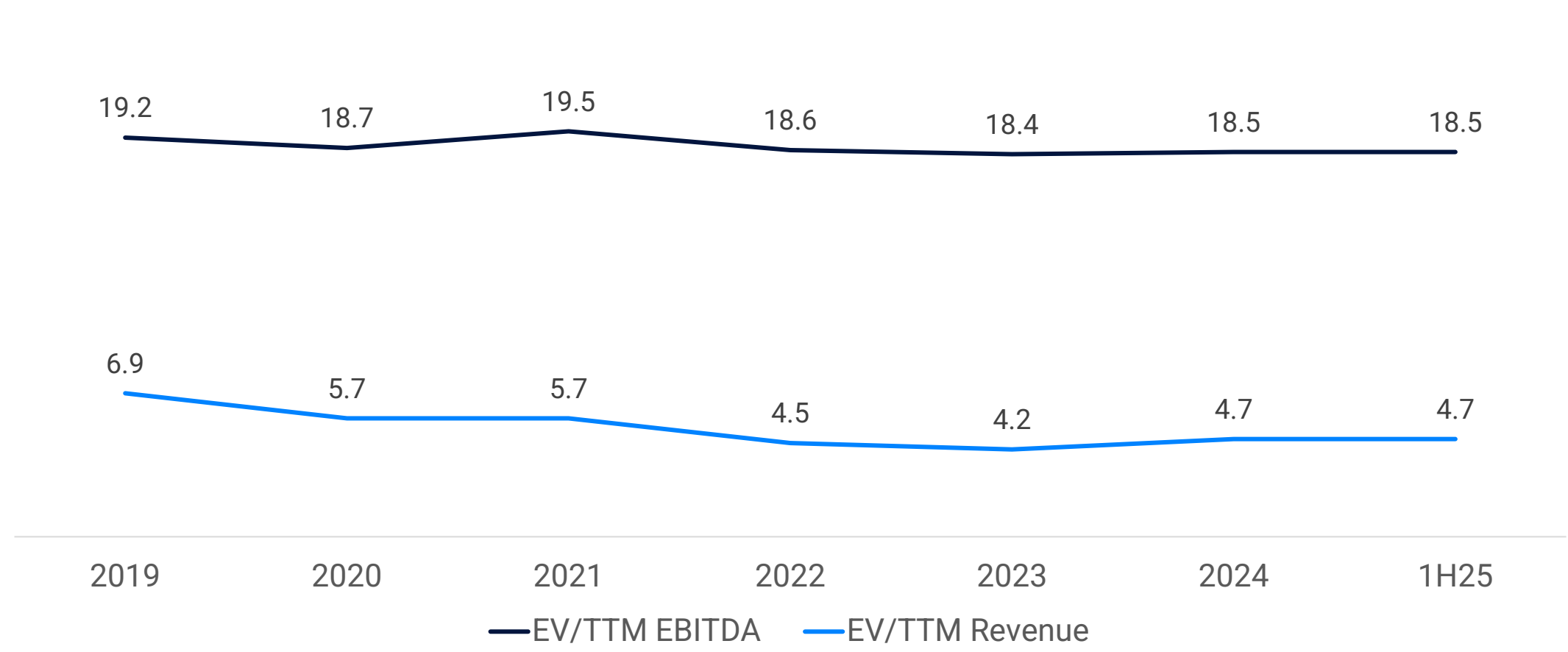
\*Through Q3, 2025  
Sources: PitchBook, Houlihan Lokey

# Insurance Technology

## Market Dynamics: AI Adoption, Parametric Growth, and Strategic Consolidation in InsurTech

The InsurTech sector is experiencing renewed momentum as carriers scale AI and analytics across underwriting, claims, and distribution to drive measurable efficiency gains. M&A activity is disciplined but steady, as acquirers pursue scalable technologies, climate-risk analytics, and embedded-insurance capabilities to strengthen core operations and unlock long-term growth.

Average EV/TTM Revenue and EBITDA Multiples by Year (2019–1H 2025)



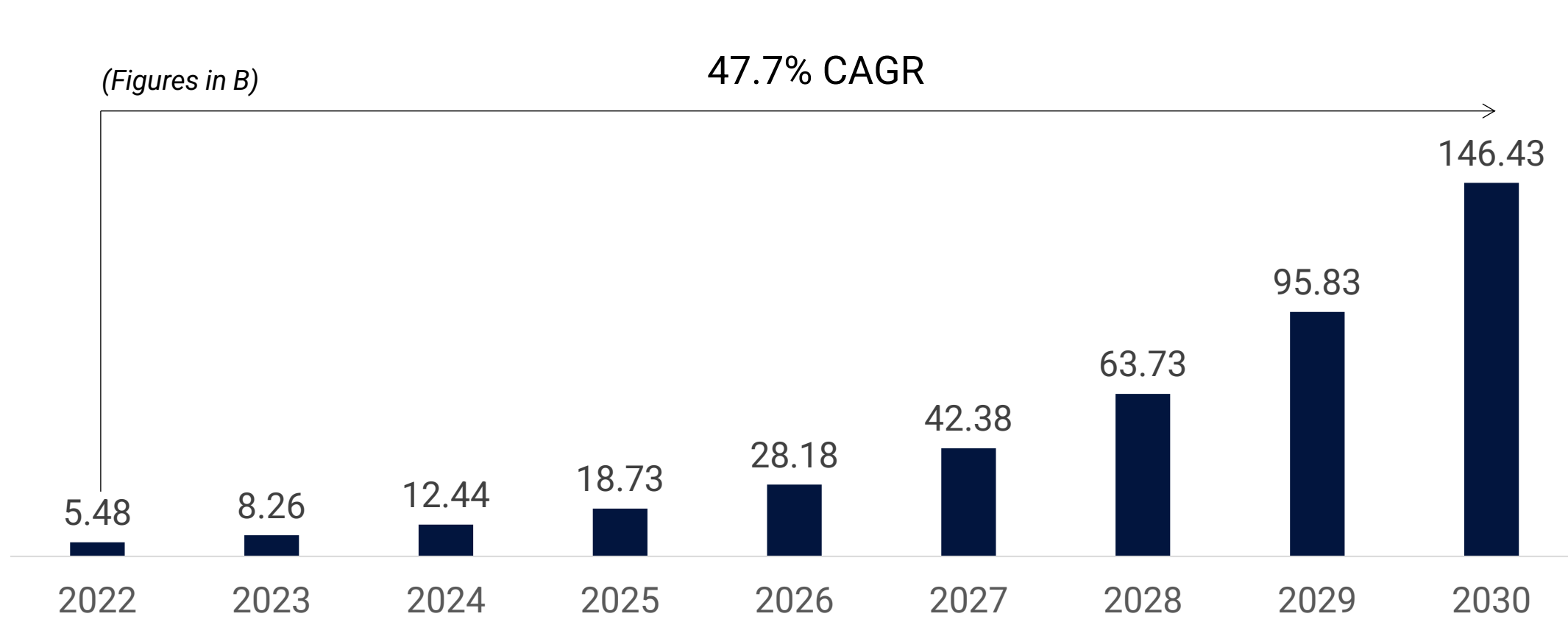
### Headwinds

- Cat Losses & Capacity Pressure:** Insured catastrophe losses remain on an elevated and are on track to ~\$145B by the end of 2025, keeping property capacity tight and pricing disciplined.
- AI/Data Regulation:** U.S. regulators are rolling out the NAIC Model AI Bulletin, and the EU AI Act treats many insurance use cases as “high-risk,” increasing model-governance and documentation burdens.
- Selective Capital & Profitability Bar:** Funding rebounded in Q1’25 but remains concentrated – early-stage hit multi-year lows and investors favored AI-centric, efficiency-proven models.
- Legacy Integration & Operating Change:** Core-system modernization and data fragmentation still slow enterprise adoption; many insurers remain stuck in “pilot purgatory” with AI programs.

### Tailwinds

- GenAI Productivity Unlock:** At-scale AI is improving underwriting, claims, and service; McKinsey estimates up to \$1T+ annual value potential for insurance as leaders rewire end-to-end processes.
- Climate Analytics & Parametrics:** Demand for faster, trigger-based coverage and better peril modeling is expanding parametric solutions and public-sector adoption.
- Embedded & Partner Distribution:** Insurers are extending reach via OEMs/platforms and embedded journeys; adoption is building across personal P&C and adjacent fintech rails.
- Consolidation & Strategic Build-Outs:** Disciplined M&A/partnerships and AI-focused investment (61% of Q1’25 insurtech funding) are creating scaled platforms with differentiated IP.

### InsurTech Software



70%

Of insurance executives see AI as a key part of their companies’ strategies.

95%

Of insurance customer interactions will be facilitated by AI by 2025.



Insurance Technology

Notable Deal Activity in the Past Six Months

October 2025

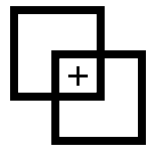
Select Industry Transactions

Date	Target	Acquirer/Investor	Deal Type	Deal Value (\$M)
10/05/2025	Wobi Insurance	Phoenix Insurance Company	M&A	44.5
09/02/2025	Apollo Group Holdings Limited	Skyward Specialty	M&A	555.0
09/01/2025	Jensten Group	Bain Capital	M&A	Undisclosed
08/26/2025	Hector Global	Neodigital	M&A	Undisclosed
06/12/2025	Zorro	Entrée Capital	Growth Equity	20.0
06/12/2025	ExactVAL	Broadstone	M&A	Undisclosed
06/05/2025	Crabi	Kaszek	Growth Equity	14.0
06/04/2025	Bolttech	Dragon Fund	Growth Equity	147.0
05/22/2025	Kota	Eurazeo	Growth Equity	15.0
05/20/2025	Acrisure	Bain Capital	Growth Equity	2100.0
05/20/2025	Itel	Nearmap	M&A	1300.0
05/12/2025	Gamma	KatRisk	M&A	Undisclosed
05/12/2025	HUB International	T.Rowe Price	Growth Equity	1600.0
05/07/2025	Pattern	PassportCard	M&A	Undisclosed

# Insurance Technology


## Coverage Team

### Overview




#### Mergers & Acquisitions

Advise sellers of privately held tech companies through M&A transactions




#### Growth Equity Investments

Advise founders seeking capital for growth or risk diversification



#### Recapitalizations & Buyouts

Advise sellers of privately held tech companies to financial sponsors



#### Operational & Strategic Advisory

Advise boards seeking to restructure, reorganize, or prepare for liquidity events

**Domain expertise:** Over 100 deals closed in enterprises software and technology in the last decade.

**Sector specific coverage:** Weekly tracking of FinTech M&A, buyers, and market trends.

**Experience:** Multiple deals across FinTech and adjacent verticals.



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### Select Software Transactions





— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







— Acquired By —







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