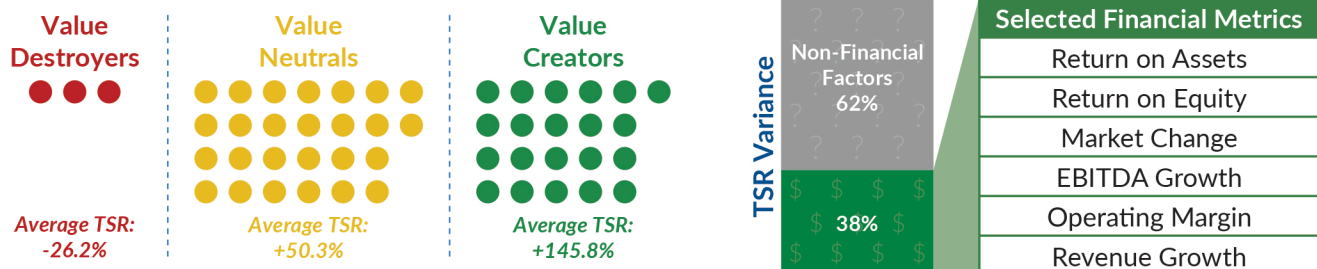


ACORD[®]

LIFE INSURANCE VALUE CREATION BY THE NUMBERS

The ACORD Global Life Insurance Value Creation Study leveraged in-depth financial analysis, data-driven research, and interviews with industry leaders to segment the largest global life insurers into value creation categories. By comparing multiple financial performance metrics and carrier attributes, we were able to highlight critical best-practice capabilities across the value chain.



Value Creators outperformed the ACORD Global Life Index benchmark of 90.1%. **Value Neutrals** demonstrated positive TSR, but underperformed the index. **Value Destroyers** showed a decline in TSR.

Despite being widely used to analyze companies throughout the industry, the typical balance sheet and income statement metrics correspond weakly to TSR.



Successful **Value Creators** engaged in a significant amount of M&A activity relative to their competitors. They were more likely than the others to engage in divestitures over acquisitions, and more likely to make deals internationally.

	Life	Non-Life
⊕ Creators	72	28
⊙ Neutral	79	21
⊗ Destroyers	94	6

Value Destroyers derived a greater percentage of their income from life insurance lines of business alone.

Leveraging technology through innovation-focused strategies tended to be the most effective option.



Methodology

The ACORD Global Life Insurance Value Creation Study measured performance by Total Shareholder Return due to its objectivity and relevance as a true measure of value. The study focused on the 50 publicly traded companies among the 100 largest life insurers.

The study analyzed six years of data spanning 50 companies, 17 countries, over 20 lines of business, and 1/3 of global life NPW.

ACORD not only examined the performance of these carriers against global and local indices, but also developed the proprietary ACORD Global Life Insurance Index in order to benchmark and segment the carriers into performance categories.