

BENECON

**Perspectives On The Current Market
Environment**

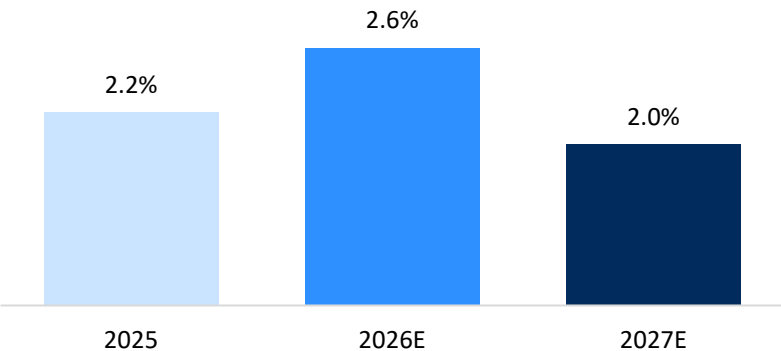
Goldman Sachs & Co. LLC

March 25th, 2026

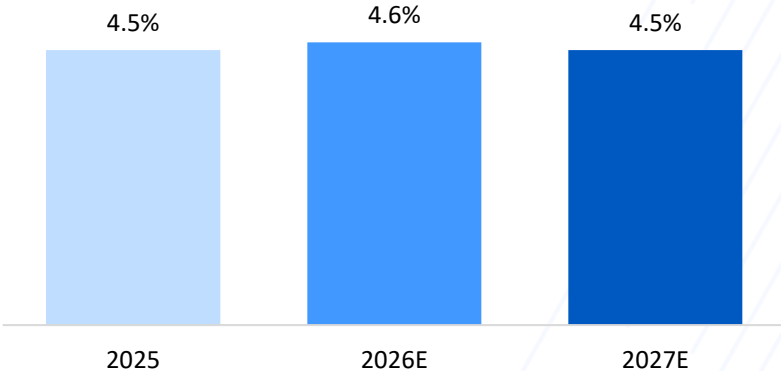
U.S. Macro Update & GS Research Perspectives

Key Macroeconomic Indicators

GDP Growth¹

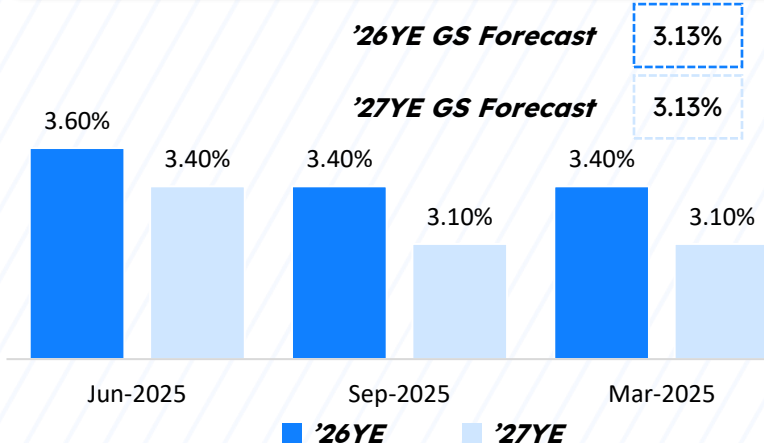


Unemployment



Key Market Indicators

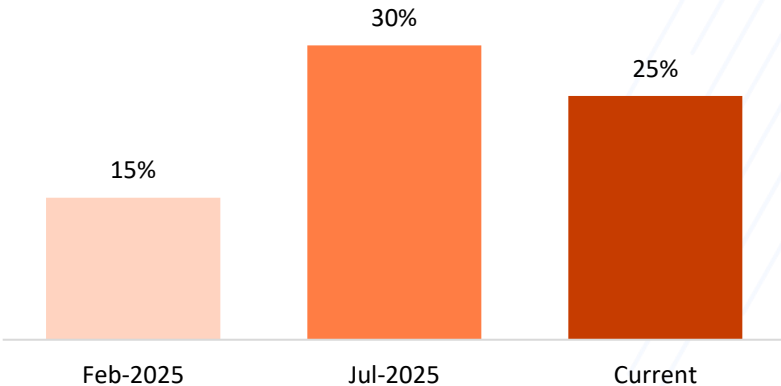
2026 & 2027 Fed Funds Rate Forecast²



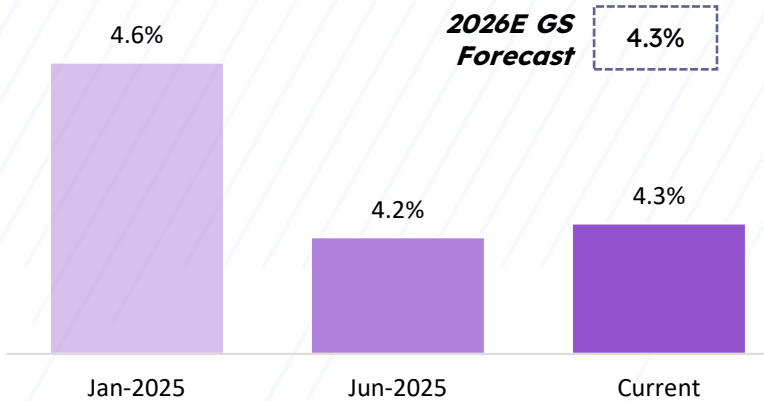
PCE Inflation Forecast¹



12-Month Recession Risk



10-Year Treasury Yield



Source: Bloomberg, Goldman Sachs Macro Research; Note: Data as of Mar-2026. ¹ YoY. ² Fed officials' projections.

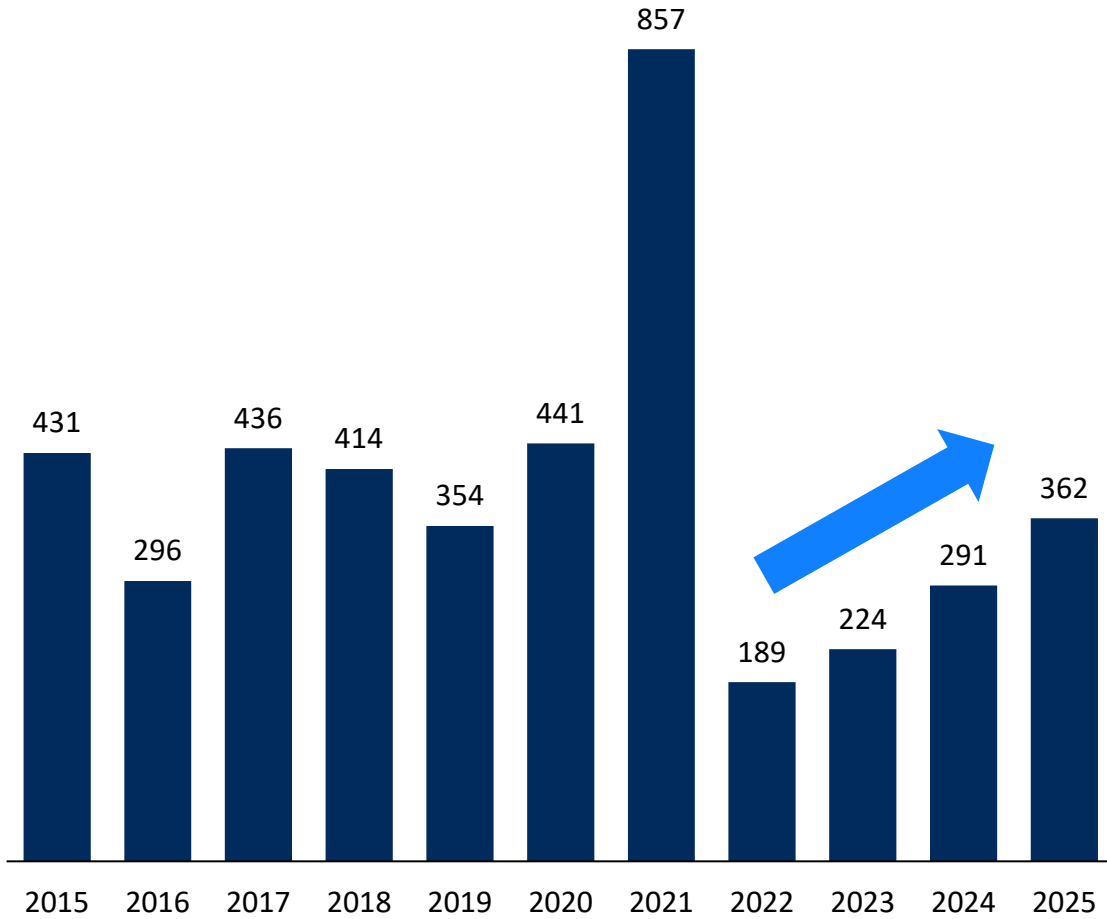
U.S. Equity and Rates Dashboard

		<i>Post Tariff Low</i>				% Change in 2025	% Change Since Post-Tariff Low	% Change YTD
		31-Dec-2024	8-Apr-2025	31-Dec-2025	19-Mar-2026			
Equity Markets	S&P 500	5,882	4,983	6,846	6,606	16.4%	32.6%	(3.5)%
	Nasdaq	19,311	15,268	23,242	22,091	20.4	44.7	(5.0)
	VIX	17	52	15	24	(13.8)	(54.0)	60.9
Interest Rates (%)	3M SOFR	4.35%	4.34%	3.68%	3.71%	(67) bps	(63) bps	3 bps
	10 Year	4.58%	4.26%	4.15%	4.28%	(43) bps	2 bps	13 bps
	30 Year	4.78%	4.71%	4.83%	4.85%	5 bps	14 bps	2 bps

Source: GS Research, Factset. Note: Market data as of 19-Mar-2026.

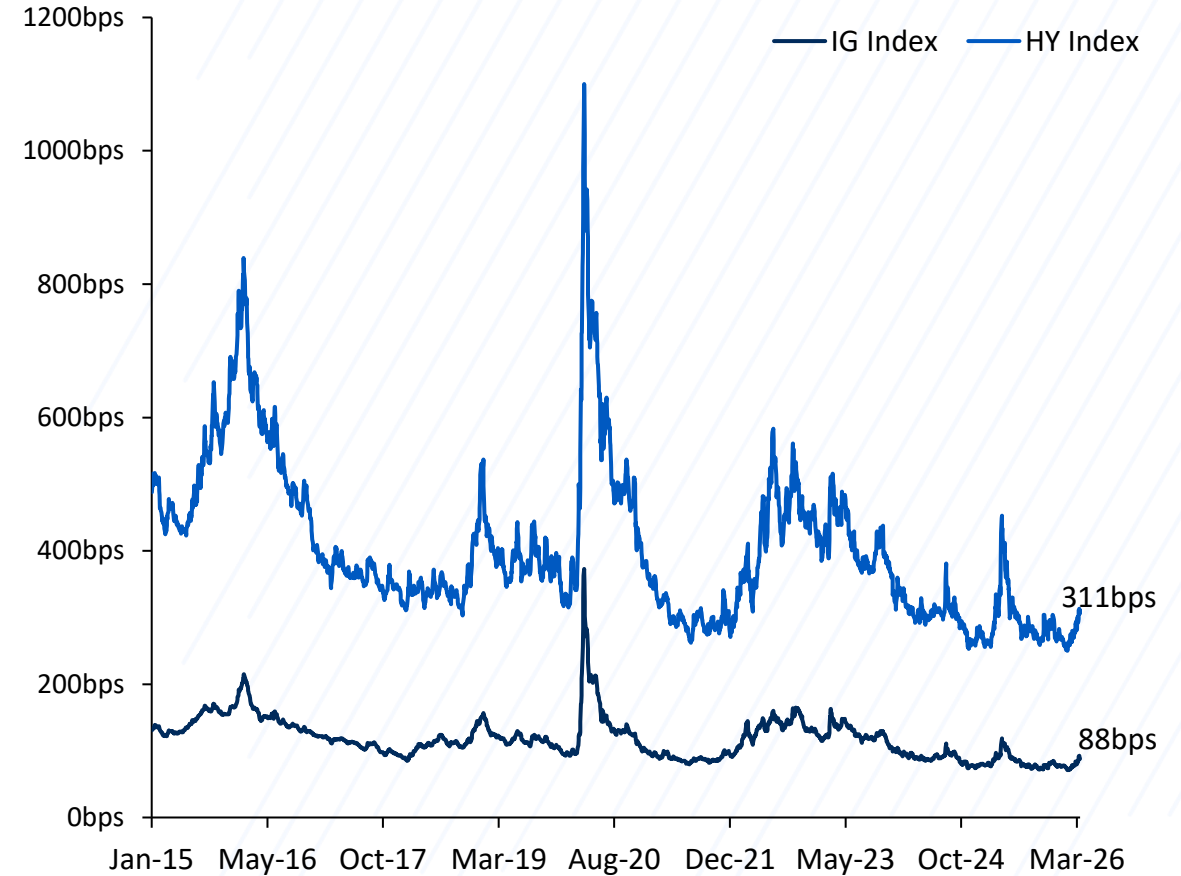
Capital Markets Dashboard

Global IPO Activity - # of Deals



IPO Activity Saw Continued Acceleration in 2025...Although Still Below Pre-Covid Levels

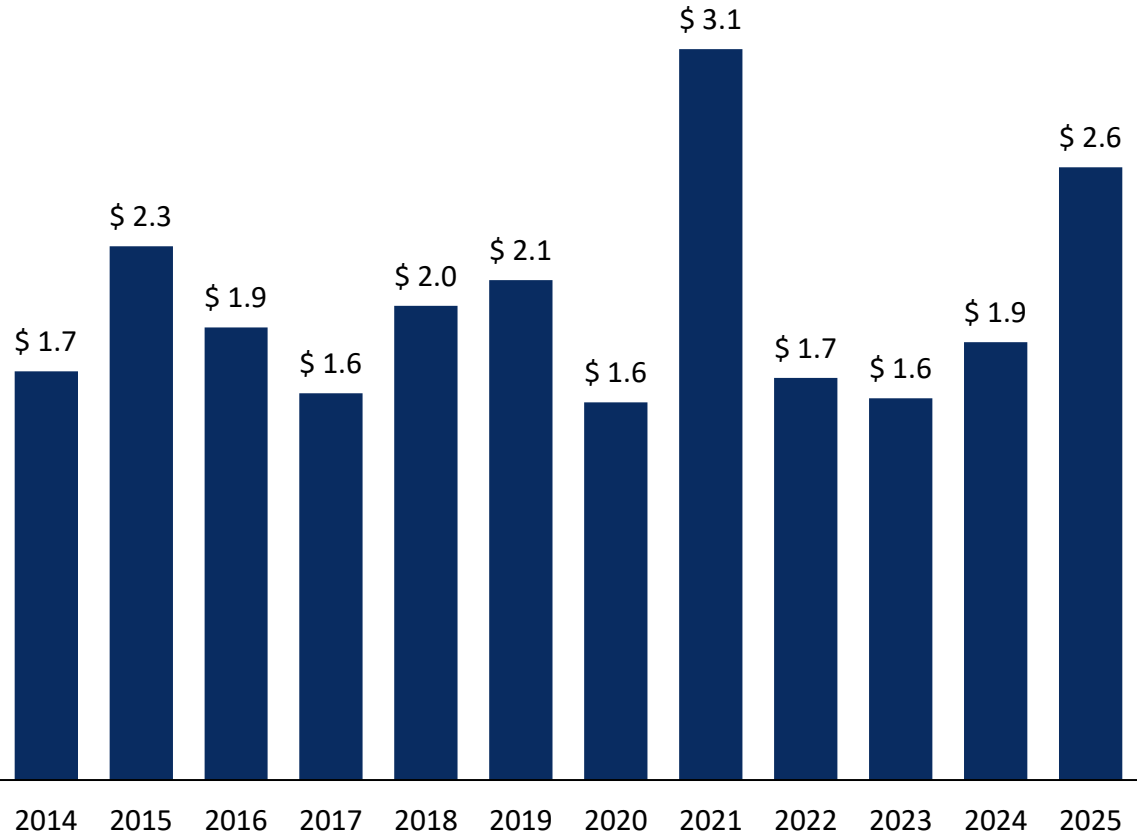
Historical IG & HY Spreads



Credit Spreads Are at Tightest Levels in 10 Years

M&A Market Update

Americas M&A Activity (\$tn)



Key M&A Themes & Outlook for 2026

- ✓ 2025 Americas M&A was up 37% vs 2024 with \$2.6tn volume
- ✓ Return of “Mega Deals” of \$10bn+ (up 87% in 2025)
- ✓ Favorable regulatory environment expected to continue supporting M&A activity through 2026
- ✓ Large-cap strategic consolidation and technology-driven transformation expected to be key drivers
- ✓ AI volatility and geopolitical dynamics potential headwinds for M&A in 2026

Key Themes Permeating the Insurance Distribution Sector

1

Organic growth has moderated, driven by the softening P&C rate cycle

2

AI disruption fears weigh on distribution stocks, especially personal lines

3

Roll-up M&A continued to slow in 2025

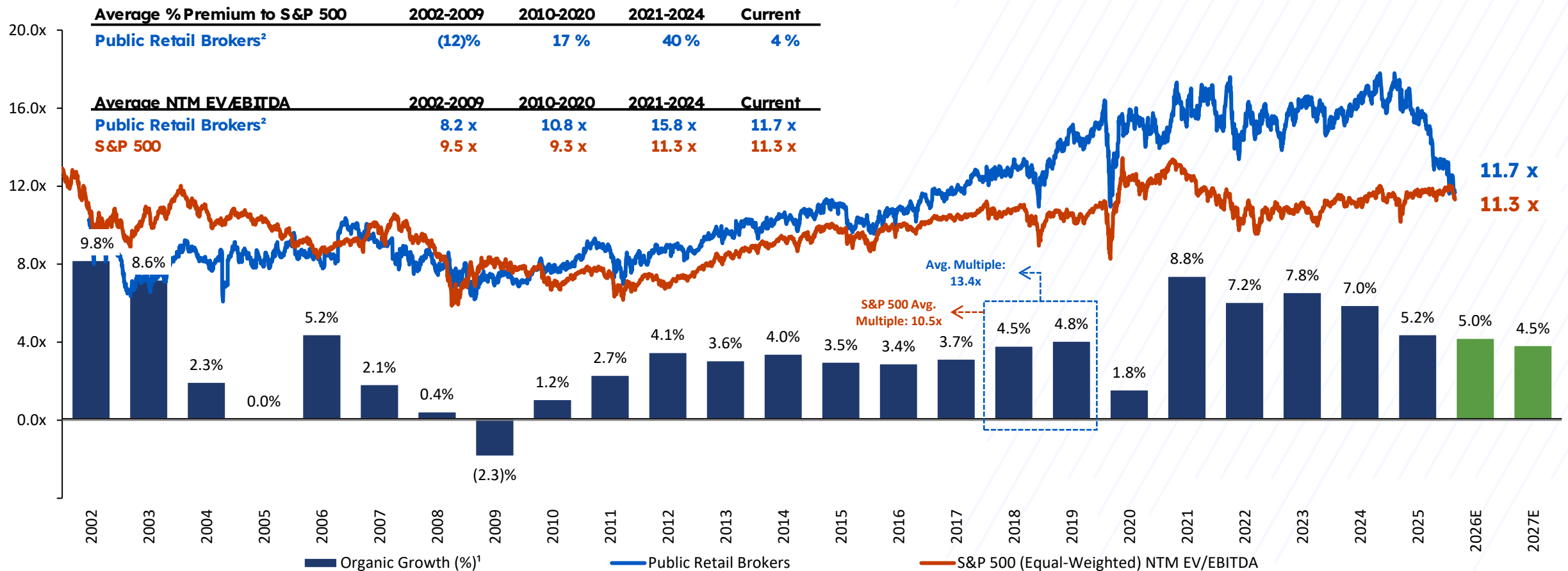
4

Platform M&A has remained active, with “Top-100” deal activity accelerating in recent years

Organic Growth Has Moderated, Driven by the Softening P&C

1 Rate Cycle

- Brokerage multiples and organic growth have moved generally in line with one another over the last 20 years
 - Brokers have consistently traded at a premium to the broader equal-weighted S&P 500 over that time
 - However, this premium has compressed amidst a softening P&C Market

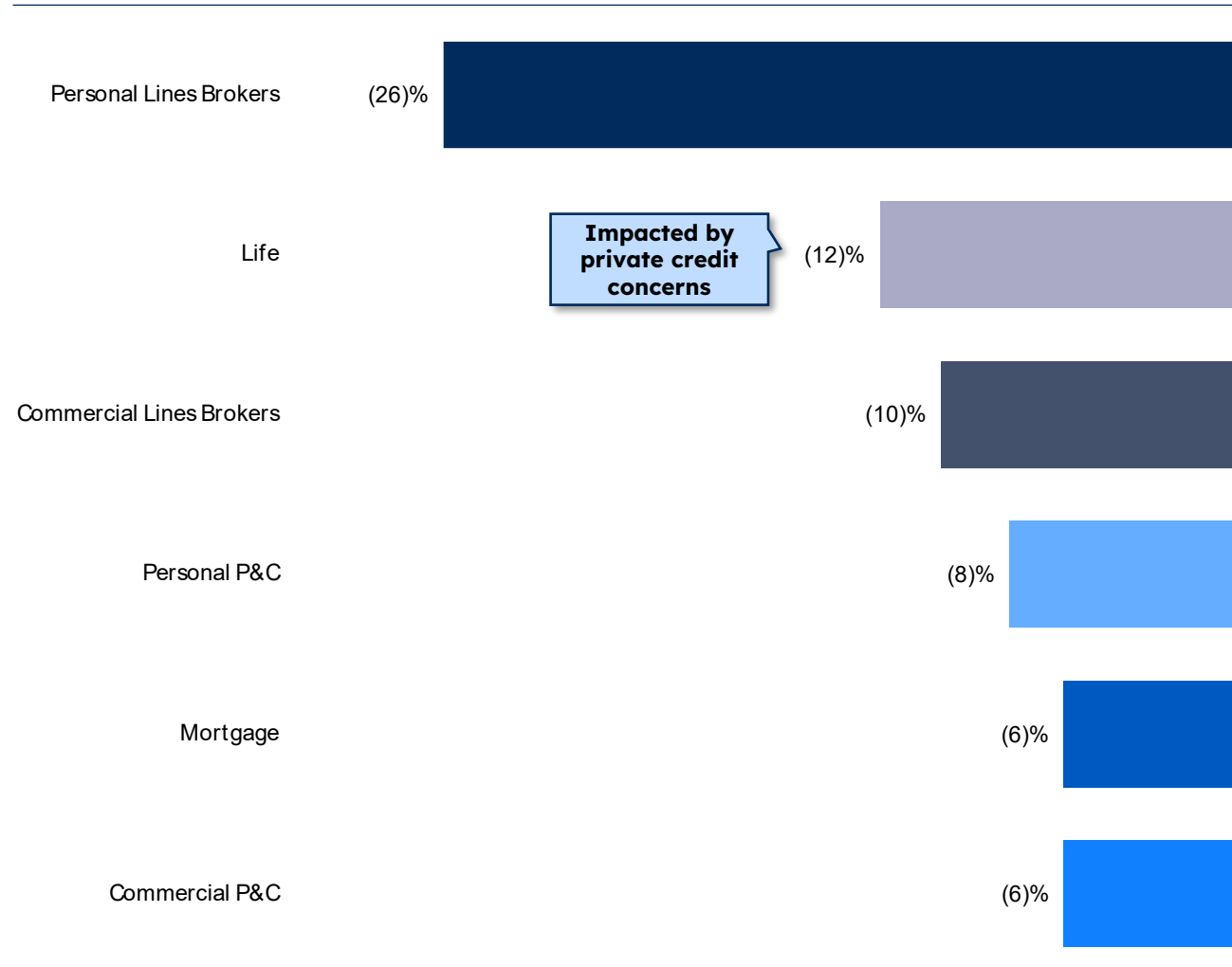


Source: Dowling & Partners, FactSet, Bloomberg, Company filings. Note: Market data as of 19-Mar-2026. ¹ Based on average of MMC, AON, WTW, AJG, BRO. ² Based on median of MMC, AON, WTW, AJG, BRO.

AI Disruption Fears Weigh on Distribution Stocks, Especially

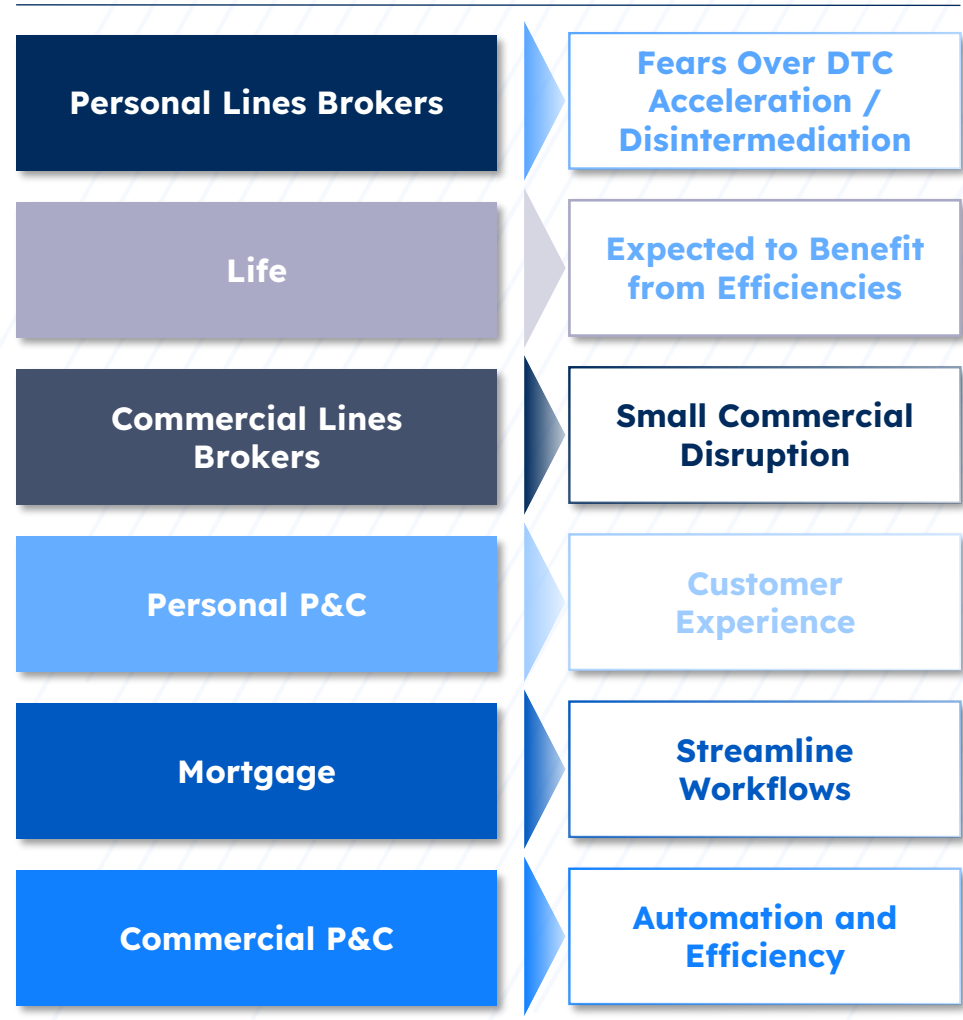
2 Personal Lines

Stock Price Movement Since Pre-AI Disruption¹



Impacted by private credit concerns

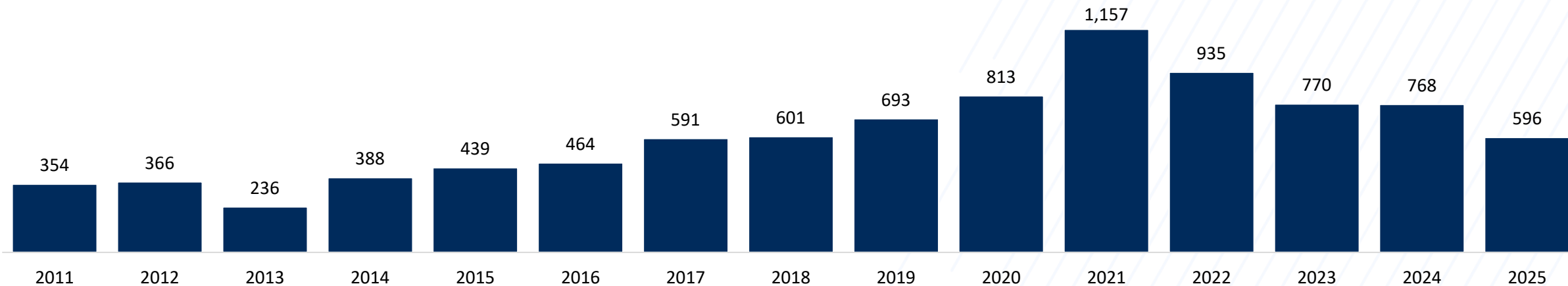
Expected AI Impact



Source: FactSet. Note: Market data as of 19-Mar-2026; Life peers include AFL, UNM, GL, PRI, CNO, MET, PRU, CRBG, EQH, JXN, LNC, FG, AMP, PFG, VOYA; Commercial P&C peers include WRB, MKL, AFG, KNSL, RLI, SKWD, ASIC, BOW, CB, TRV, AIG, HIG, FFH, IFC, CINF, CNA, ORI, THG, SIGI, UFCS, ACGL, EG, RNR, AXS, HG, SPNT, FIHL; Personal P&C peers include ALL, DGIC, HMN, KMPR, MCY, PGR, SAFT, PLMR, SLDE; Mortgage peers include ACT, MTG, ESNT, RDN, NMIH; Commercial Lines Brokers peers include MMC, AON, WTW, AJG, BRO, BWIN, RYAN; Personal Lines Brokers peers include GSHD, TWFG, NP, LIFE.¹ AI Disruption as of 9-Feb-2026.

3 Roll-up M&A Continued to Slow in 2025

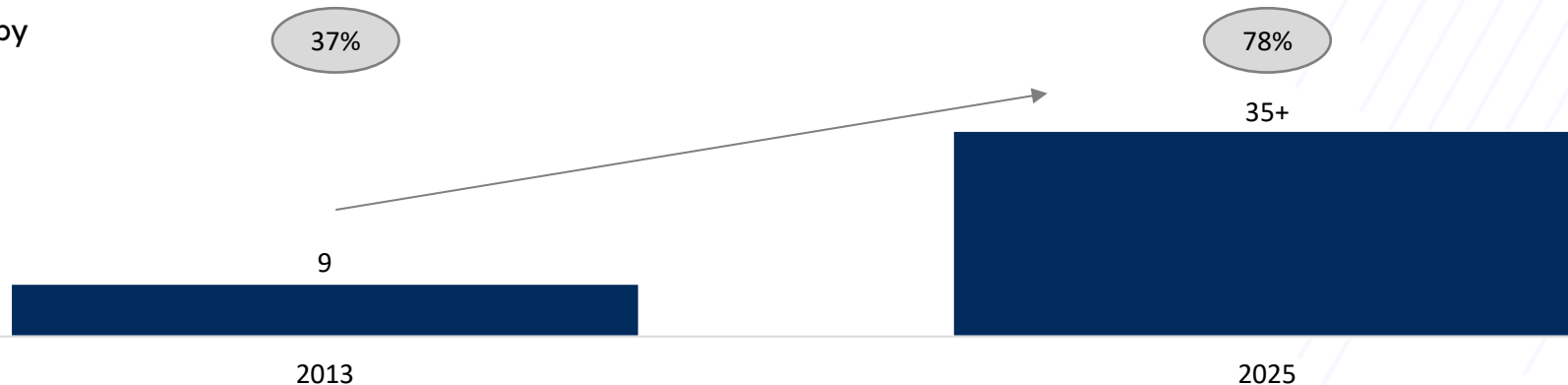
Total Number of Roll-Up Transactions



Roll-Up M&A Volumes Supported by Platform Evolution

PE Backed Platforms

% of M&A by PE Platforms:



Drivers of Slowing Activity

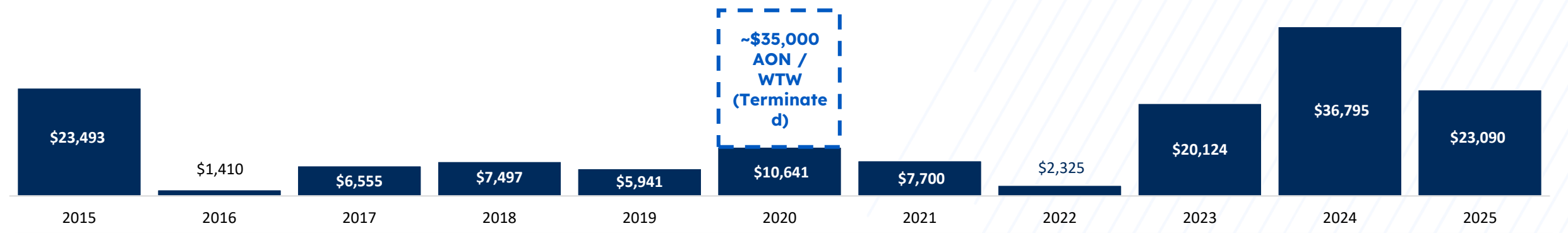
- 1) Elevated Multiples
- 2) Platform Integration Focus
- 3) Cost / Quantum of Capital

Source: S&P Capital IQ, Factset, company websites and filings; Q4-2025 Dowling & Partners report

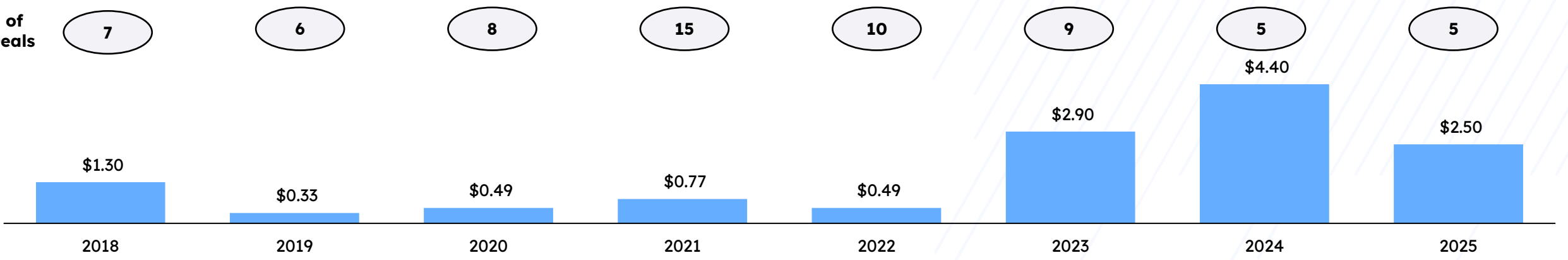
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Platform M&A Has Remained Active, with “Top-100” Deal Activity Accelerating in Recent Years

Retail Platform M&A Volume



Top-100 Deals Since 2018 – Total Revenue (\$bn)



Source: Moody's, S&P, Business Insurance, company websites, press releases, Insurance Insider, IBES. ¹ Truist / Stone Point and CD&R transaction split between wholesale and retail based on wholesale and retail segment contribution.

Benefits Distribution Has Been More Resilient to Dislocation...

1

Employer-sponsored benefits remain a key component of compensation, sustaining demand across cycles

2

Employee benefits are independent of the P&C rate cycle and based on overall employment, which has remained resilient

3

Rising healthcare costs and regulatory complexity continue to increase reliance on specialized benefits advisors

4

Ongoing shift toward self-funded plans and risk-sharing structures drives demand for advisory and program management solutions

5

High-touch advisory model and carrier negotiation role limit risk of AI-driven disintermediation

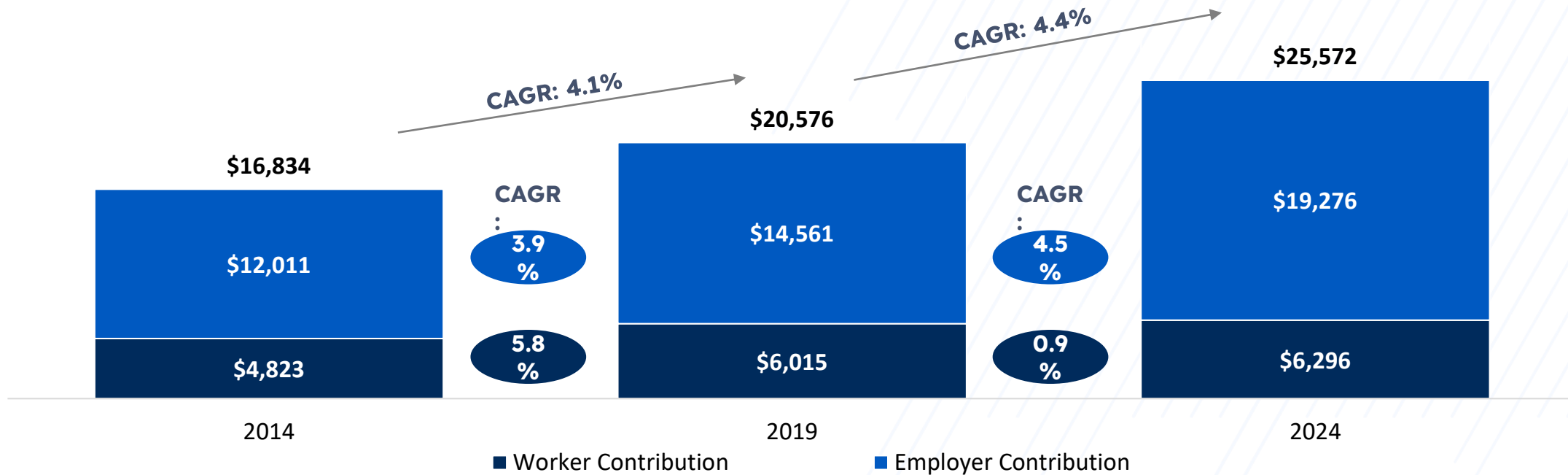
...However, Employer Groups Continue to Face Elevated Healthcare Costs

While medical costs have risen on the whole, data suggests that employers have shouldered the growing share of this increase

Given increasing healthcare inflation pressures, employer groups continue to seek ways to reduce / manage costs

Self-funding seen as a valuable tool, with ability to reduce costs by ~10%

Average Annual Premiums for Family Coverage



Source: Marsh MMA research, KFF Employer Health Benefits Survey, 2024; Note: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage.

Managed Care Players Are Experiencing Multiple Headwinds

1

Post-pandemic increase in utilization driving rise in medical loss ratios

2

Regulatory pressure impacting Medicare Advantage profitability

3

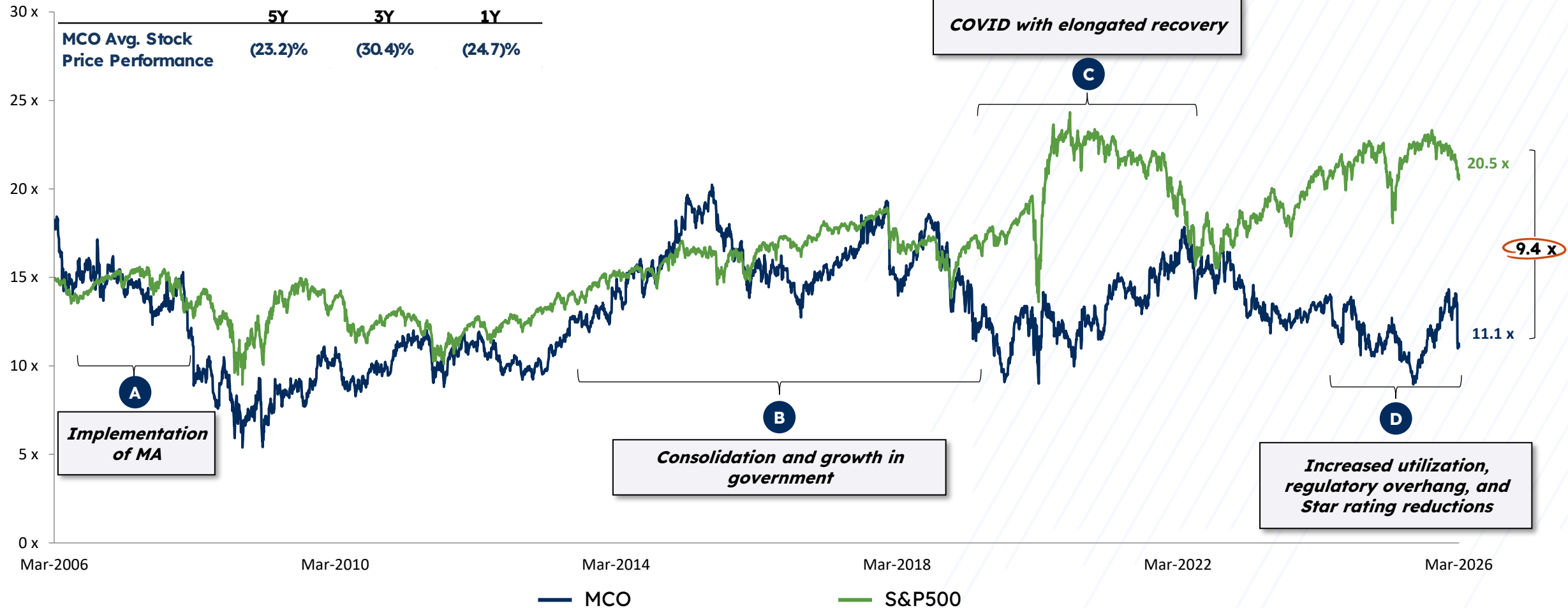
Rapid growth in expensive prescription drugs putting pressure on margins

4

Scale and operating efficiency becoming increasingly important in tougher underwriting environments

MCOs Are Trading at One of Widest Observed Discounts to the S&P 500 Over the Last Two Decades

NTM P/E | Last 20 Years vs. S&P 500



Source: FactSet, market data as of 19-Mar-2026.

Note: MCO includes Centene, Cigna, CVS, Elevance, Humana, Molina and UNH.

Trends in the Self-Funded / Stop Loss Market

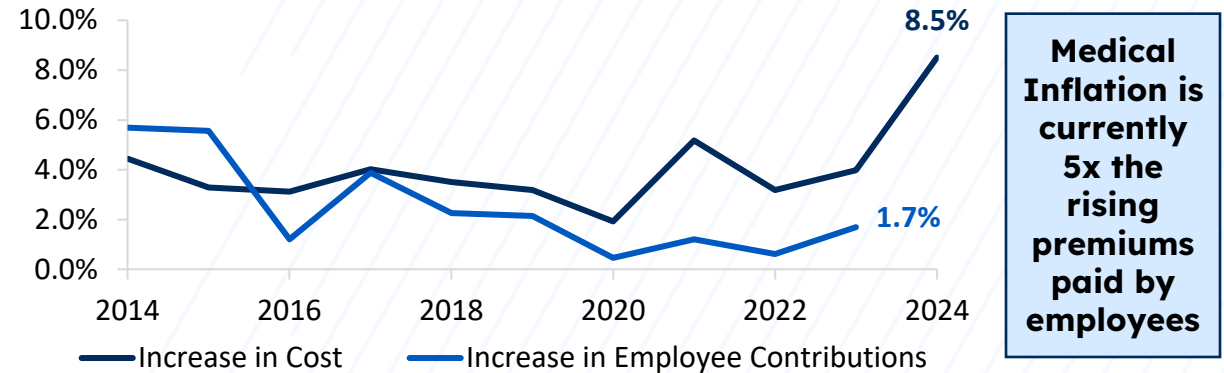
Attractiveness to Employers

- ✓ Over the past 20 years, there has been high penetration of stop-loss policies for large corporate employers and increased penetration for SMEs
 - ~40% of SME employers have expressed interest at switching to self-funded plans

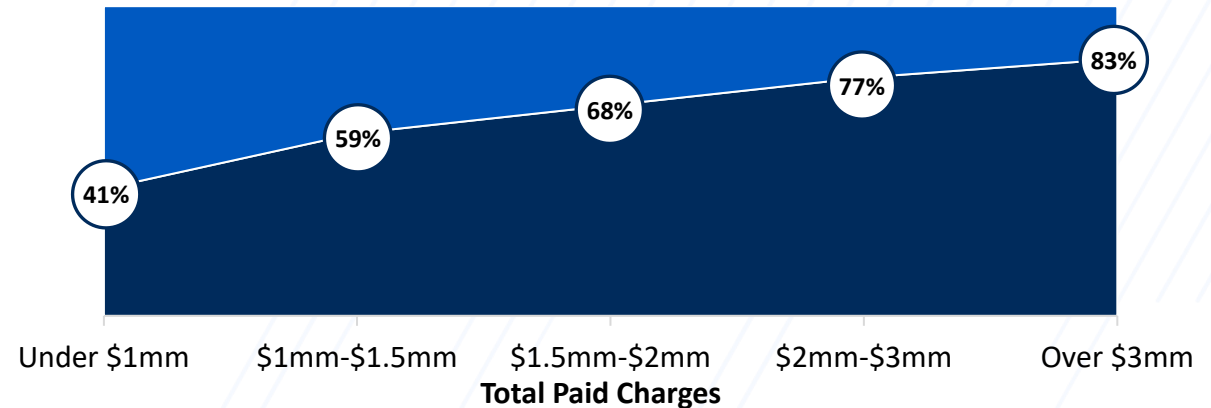
- ✓ With medical cost inflation at 8.5% and outpacing general inflation, the rising costs of healthcare aren't being met with a rise in premiums paid by employees

- ✓ There is an increase in large claims leading to more risk for employers. Such factors make stop loss an integral tool for employers

Rise in Medical Costs and Staff Contribution

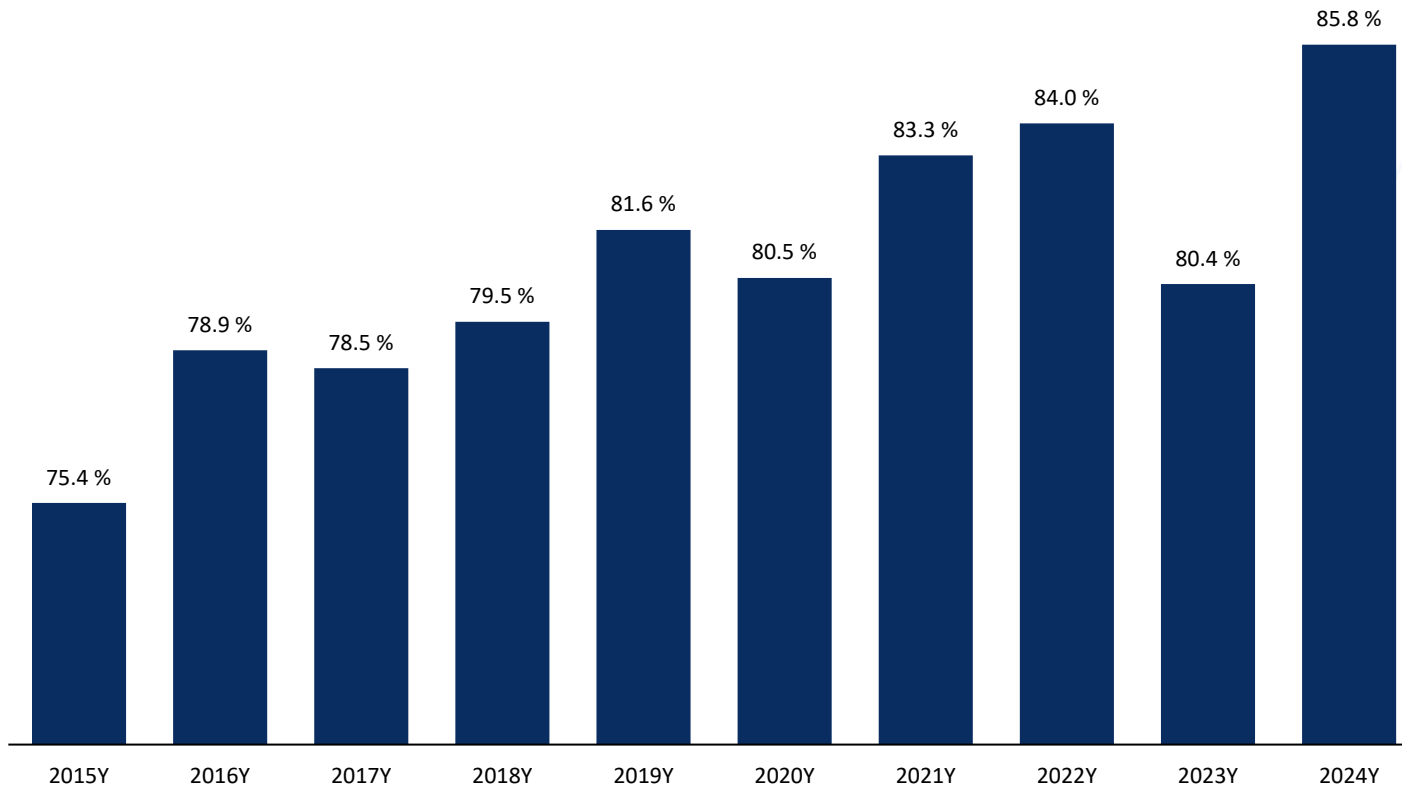


Percent of Claims Over \$1 million Covered by Stop-loss



Industry Stop-Loss Loss Ratios Have Trended Higher

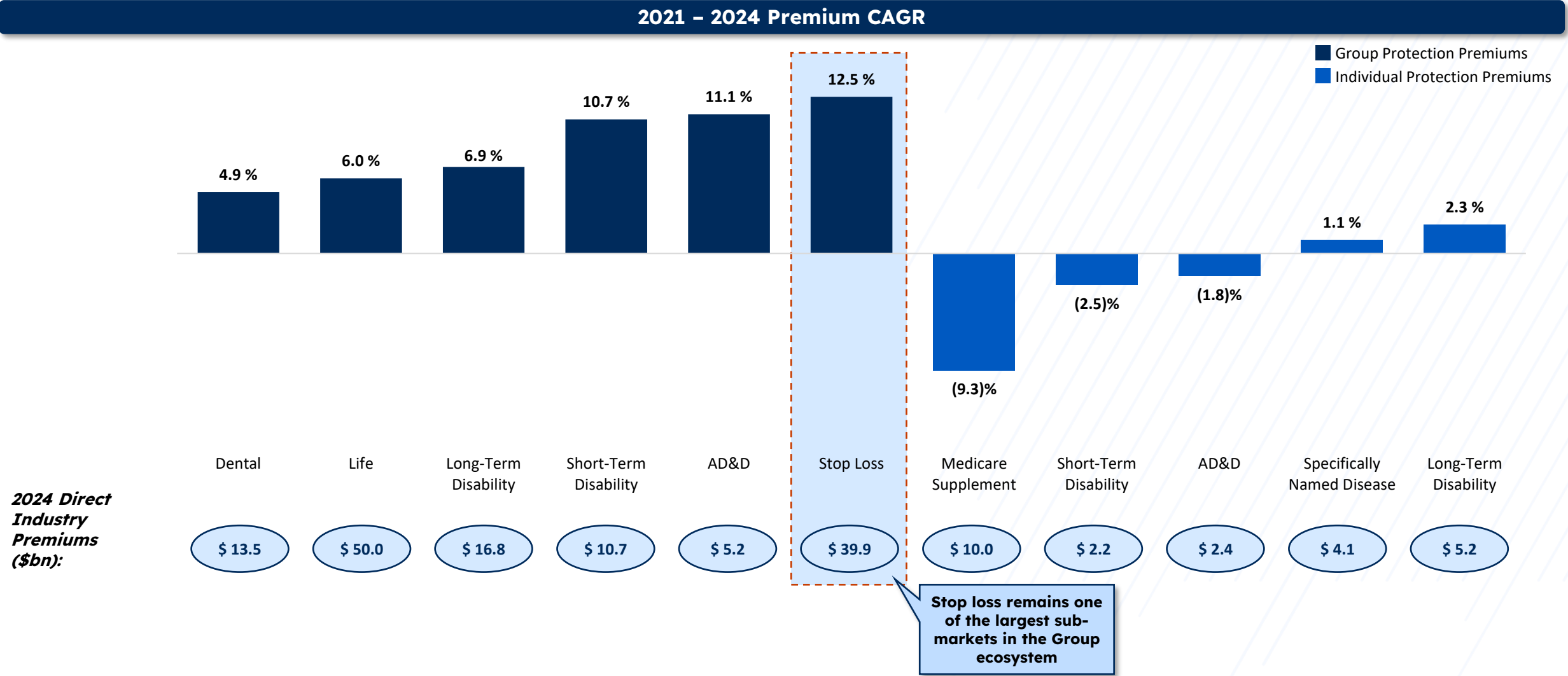
Industry Aggregate Medical Stop-Loss Loss Ratio



Key Themes

- Industry Stop-Loss loss ratios have trended upward, driven by:
 - **Rising claims severity driven by higher-cost specialty drugs and complex medical procedures**
 - **Increased frequency of large claims**
- **Carriers have responded with premiums increases, however some have continued to experience negative performance with elevated loss ratios and earnings volatility (e.g. Voya)**

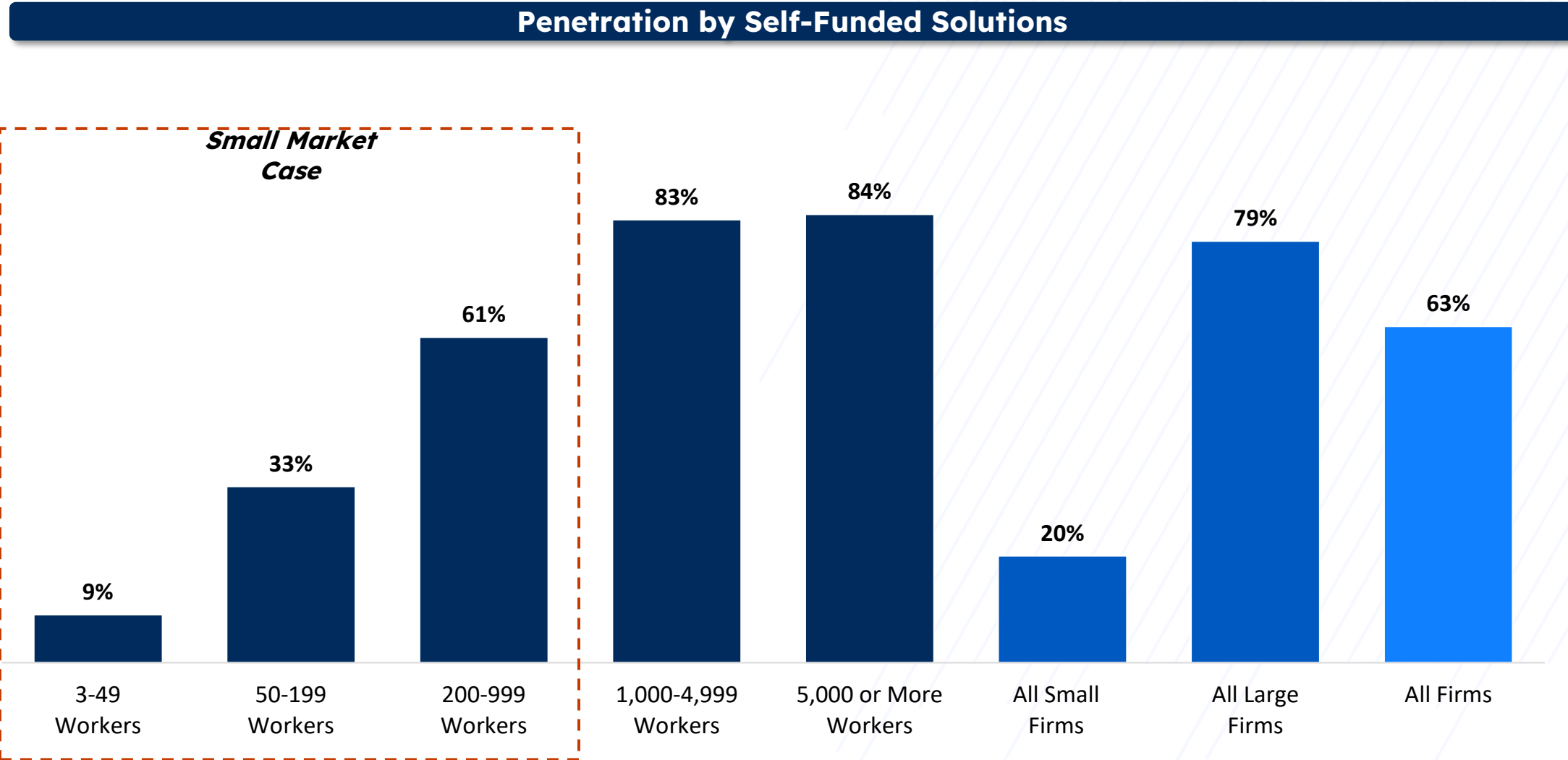
Despite Mixed Profitability, Stop Loss Has Seen Significant Growth



Source: SNL Financial. Note: Figures reported on statutory basis.

Self-Funded Plans Have Been a Growing Tool for Employers Given Sector Dynamics

Penetration still relatively low within small market case, suggesting opportunity for self-funding solutions to further expand adoption



Source: Marsh MMA research, KFF Employer Health Benefits Survey, 2024; Note: Includes covered workers enrolled in self-funded plans in which the firm's liability is limited through stoploss coverage.

Concluding Thoughts

1 Macro remains volatile...although KPIs remain healthy

2 Insurance distribution evolving...headwinds outpacing tailwinds

3 Benefits sector remains resilient and critical to employers

4 Self-funded market continues to gain prominence as a tool for employer groups