2025 Insurance M&A Outlook

Expectations for France

With inflation moderating in much of the world, global insurance M&A activity remained largely stable in 2024. Some trends, like consolidation in the distribution market, are playing out across multiple regions. Others, such as an imbalance between buyers and sellers, reflect nuances that are particular to a country.

Against that backdrop, what will insurance deal-making look like in 2025? Deloitte's teams are looking at insurance M&A in several markets. Some insurance M&A trends we are seeing in France are:

[1] Increased consolidation in life and pensions

Tailwinds continue to lift the French life insurance and pensions market. In 2024, contributions for life reached €173.3 billion (+14% vs 2023) while net inflows totaled €29.4 billion[1] (+€28.2 billion vs. 2023). At the same time, insurance-based pension plans grew 17% over 2023 to reach €9.9 billion.[2] Iconic transactions such as Matmut's ongoing acquisition of HSBC Assurances Vie reflected a push among major players to streamline core insurance activities and improve their market position.[3] As smaller players struggle with profitability, larger insurers in the life and pensions space will likely continue to seek strategic acquisitions to boost scale and market share.

[2] Continued growth of private equity in brokerage

In a quest for strong cash flow generation and recurring revenues, private equity firms are fuelling M&A activity in the insurance brokerage sector. Their sustained interest last year resulted in deals like BlackFin's majority stake in SPB[4] and Cinven's purchase of Finaxy.[5] Look for PE firms to stay active in 2025, driving consolidation among brokers aiming to enhance their service offerings and geographic reach.

[3] A focus on affinity and specialty insurance

The affinity and specialty insurance sectors are attracting significant attention for their strong brand relationships and unique distribution channels. Distributors were particularly active in 2024, as illustrated by PIB Group's acquisition of French medical malpractice insurer BEA Group.[6] M&A activity could increasingly target affinity partnerships as brokers and insurers seek to leverage established customer bases and expand into new segments more effectively.

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ENDNOTES

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[2] Ibid.

[3] "HSBC Continental Europe Enters Into a Memorandum of Understanding Regarding Potential Sale of HSBC Assurances Vie (France) to Matmut Société d'Assurance Mutuelle," Business Wire, December 20, 2024, https://www.businesswire.com/news/home/20241220911691/en/HSBC-Continental-Europe-Enters-Into-a-Memorandum-of-Understanding-Regarding-Potential-Sale-of-HSBC-Assurances-Vie-France-to-Matmut-Soci%C3%A9t%C3%A9-d%E2%80%99Assurance-Mutuelle.

[4] "The private equity firm BlackFin acquires majority stake in SPB," SPB, April 4, 2024, https://www.spb.eu/2024/04/04/the-private-equity-firm-blackfin-acquires-majority-stake-in-spb/.

[5] "Cinven enters into exclusive negotiations with Ardian to acquire the Finaxy group," Ardian, September 3, 2024, https://www.ardian.com/news-insights/press-releases/cinven-enters-exclusive-negotiations-ardian-acquire-finaxy-group.

[6] "PIB Group enters French market with acquisition of BEA Group," PIB Group, November 6, 2024, https://www.pibgroup.co.uk/news/pib-group-enters-french-market-with-acquisition-of-bea-group.

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