



05/ 2026 Outlook by Sector

Insurance

Beyond the core –
winning in new markets

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Beyond the core – winning in new markets



Increasing demand for attractive investment returns and premium healthcare services by growing affluent and HNW individuals to drive insurers to acquire new products (capabilities) and channels



Bullish buy-and-build agenda across the distribution vertical, with PE-backed capital consolidating local brokers and agencies to build regional platforms



Payers to divest non-core assets in non-strategic markets, given higher capital requirements (e.g. Singapore, Malaysia, Hong Kong, Indonesia)



Regional life and health insurers to diversify into adjacent revenue streams through a one-stop-shop (ecosystem-like) build



Insurers to explore embedded (digital-first, surfaced at key transaction points in the customer journey) offerings through partnerships with Insurtech and banking partners

M&A in insurance will focus on targeted acquisitions to expand product lines and distribution channels. Asia's wealth and insurance convergence presents a significant opportunity, with insurance fast becoming a preferred investment for the growing HNW and ultra-high-net-worth (UHNW) population. Southeast Asian markets are expected to mirror mature hubs like Singapore and Hong Kong in allocating more investable assets to insurance.⁵

In 2026, medical inflation is set to climb further, driven by an aging population and rising affluence that fuels greater spending on private healthcare and outpatient services. The "pincer movement" of growing demand for both attractive insurance options and one-stop-shop health platforms will push insurers to

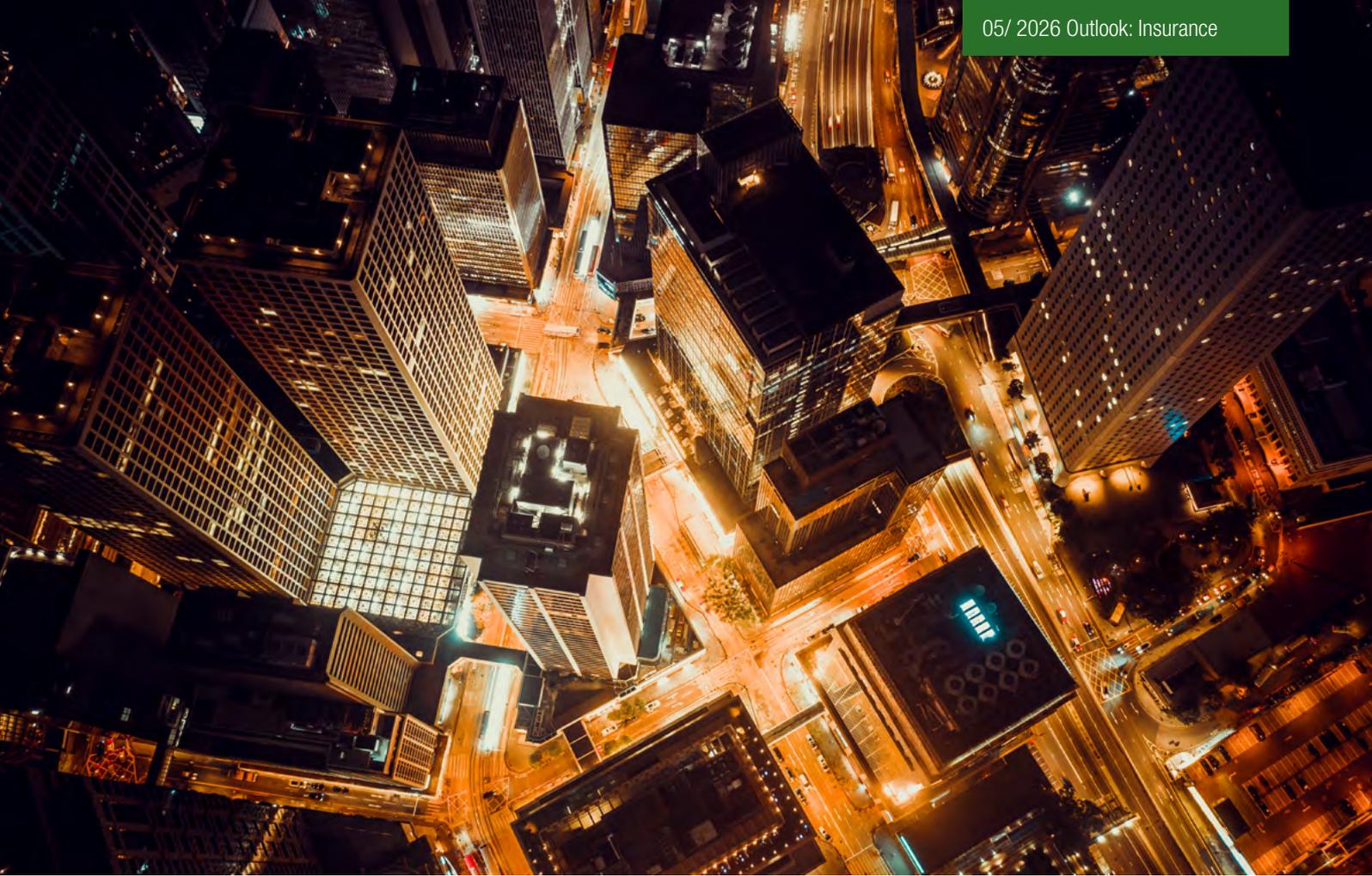
acquire new products and channels to service the evolving needs of their affluent clients, resulting in greater health and portfolio deals, broker consolidations and private equity roll-ups.

Insurers that have hit a ceiling in scale will reposition strategies and divest non-core assets in 2026, also fuelled by higher capital requirements in certain Asian markets.

Private capital flows are set to accelerate as more insurance PE assets (distribution-focused) near the end of their hold periods and global players move into the once domestically dominated insurance brokerage sector.

5. [Global Wealth report 2025](#), UBS, 2025





Carriers to purchase PE assets reaching the end of their hold periods; Buy-and-build play among global PE leaders looking to build regional brokerage platforms

Insurance brokerage consolidation will continue into 2026 as players target HNW-focused distribution platforms. PE continues to invest in brokerages to build regional platforms. For example, BP Marsh has made strategic investments through Pantheon Specialty and Amiga Specialty into the Hong Kong brokerage market, with Pantheon acquiring 25% equity stake in Fraction Brokers Asia.

As assets near the end of their hold periods, 2026 will see PE exits and carrier interest to acquire as they seek to secure distribution channels in growth markets like Southeast Asia and Hong Kong. Asia's brokerage market is projected to grow at 10.3% CAGR to \$168 billion by 2030⁶, and valuations should hold as buyers seek bolt-on deals providing data, technology synergies, and cross-sell opportunities.

Market fragmentation, rising regulatory capital rules, and economic pressures will also add momentum, building on deals seen in 2025 such as Ardonagh's acquisition of Apex Insurance (Holdings) Limited and Howden's majority stake in Japan's Holos Holdings.

Some deals also reflect a differentiated strategy to unlock M&A value, such as KKR & Co Inc's acquisition of Finexis Advisory through its new "open-architecture" platform. We expect insurance distributors to actively explore similar operating structures as they favour systematic acquisition of multiple smaller companies over large one-off companies which will enable them to consolidate their technology systems across operations, finance, and portfolio management.

Payers to exit non-strategic markets

Rising capital requirements in Southeast Asia markets and Hong Kong, combined with cost pressures, are reinforcing consolidation. Insurers are reassessing portfolios and exiting non-strategic markets or sub-scale operations. Recent examples include Manulife's sale of MVI Life to Asahi Life in Vietnam and Liberty Mutual's divestiture of property and casualty (P&C) operations in Thailand and Vietnam to Chubb.

Chinese Mainland is expected to become increasingly attractive for insurance dealmaking for both domestic and foreign buyers, given further capital requirement liberalisation at the end of 2025 that is expected to enable insurers to deploy more idle capital into high-return equity markets.

6. *Asia Pacific Insurance Brokerage Market Size & Outlook*, Grand View Research

Dominant regional healthcare players to focus on ecosystem play to diversify revenue streams

Health insurers are moving beyond the traditional sell-insurance-pay-claims model by owning and operating parts of the healthcare chain to capture adjacent revenues, driven by surging healthcare expenditure that has far outpaced both regional GDP growth and medical insurance spend.

This “closed-loop” strategy allows insurers such as Ping An and AIA control over the entire patient journey and access to proprietary clinical data to improve risk pricing and cross-sell opportunities. Unlike traditional cost-control strategies, these acquisitions are primarily revenue diversification plays designed to capture the 10%-20% margins available in healthcare delivery.

We expect increasing payer-led acquisitions across Southeast Asia - particularly in outpatient and ambulatory care centres – given the supportive regulatory environment for payer-provider integration and expected PE exit from overleveraged hospital assets.⁷



Embedded insurance to take off, driven by increasing distribution partnerships and Insurtech-led innovation

Embedded insurance is emerging as one of the fastest-growing channels for insurance distribution, driven by seamless integration into digital platforms, rising consumer demand for personalised protection and regulatory support for insurance technology innovation. APAC alone represented 48% of the \$144 billion global embedded insurance market in 2025 and is expected to grow at double-digit CAGR in the next decade – outpacing the expected growth of traditional general insurance.⁸ In 2026, we anticipate increased embedded insurance partnerships as traditional insurers expand into this space alongside new Insurtechs (companies combining insurance with innovative tech). Notable examples include Zurich Edge’s multi-partner ecosystem across Asia Pacific with Tesla, Shopee, Cathay Pacific and Klook, as well as Singlife and CIMB Singapore’s embedded small and medium-sized enterprise (SME) protection offering in Singapore, and TADA and YAS Insurtech’s embedded trip insurance in Hong Kong.

7. E.g., Chinese Mainland’s Vertical Integration of High-Quality Medical Resources (VI-HQMR) and Singapore’s shift to value-based care models. This contrasts with the antitrust scrutiny in the US, across similar vertical-integration focused deals

8. [Embedded Insurance Market Size, Share | Growth Report](#), Fortune Business Insights, 2025



AUTHORS AND CONTACTS



DUSTIN BALL
MANAGING DIRECTOR
dball@alvarezandmarsal.com



REBECCA TRUONG
SENIOR DIRECTOR
rebecca.truong@alvarezandmarsal.com



TRINA TAM
DIRECTOR
t.tam@alvarezandmarsal.com



GELLERT VARGA
DIRECTOR
gvarga@alvarezandmarsal.com

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METHODOLOGY

Our report leverages datapoints from both S&P Global Market Intelligence and PitchBook Data Inc.* to obtain sufficient coverage of both public and private markets. Coverage focuses on deals originated from Asian investors and targets in Asia as defined by deals either announced or completed between the years 2023 to 2025. Our target sector is the financial services sector, with coverage over relevant sub-sectors (Banking and Capital Markets; Wealth and Asset Management; Insurance; Private Equity and Venture Capital; and Other Financial Services). Categorization is based on a combination of S&P Global Market Intelligence, PitchBook Data Inc.* industry classifications and A&M analysis.

*Data has not been reviewed by PitchBook analysts

Valuations are based on S&P Global Market Intelligence data, publicly listed financial services companies on the relevant Asian indices, covering both LargeMidCap, MidSmallCap, and SmallCap Financials.



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