



Insurance Premium Finance Quarterly Update: 2025 Second Quarter



Mergers & Acquisitions
Capital Raising
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Welcome to the quarterly update for the Insurance Premium Finance industry. Insurance Premium Finance is a lucrative \$50+ billion industry, in which Colonnade is the leading financial advisor to both buy-side and sell-side clients.

Colonnade has successfully advised on and executed over two dozen transactions within the insurance premium finance space throughout a wide range of macroeconomic environments. Colonnade's wealth of industry expertise enables our team to navigate transactional nuance and maximize value, delivering optimal outcomes for our clients. This report analyzes data from the second quarter of 2025.

The insurance premium finance industry is broadly composed of commercial lines property & casualty, personal lines property & casualty, and life insurance premium finance. Our quarterly updates focus on the commercial lines segment, with occasional coverage of adjacent sectors. We report on developments across both U.S. and Canadian markets.




The Colonnade team maintains close relationships with a vast network of industry operators and provides this report to our readers to keep them up to date on relevant industry news, sourced primarily from those banks that report segment results for their insurance premium finance verticals.

OUR QUARTERLY UPDATE COVERS:

- 1 Financial Results For Select Industry Players
- 2 Recent M&A Transactions
- 3 Industry Outlook and Other News

1 FINANCIAL RESULTS FOR SELECT INDUSTRY PLAYERS

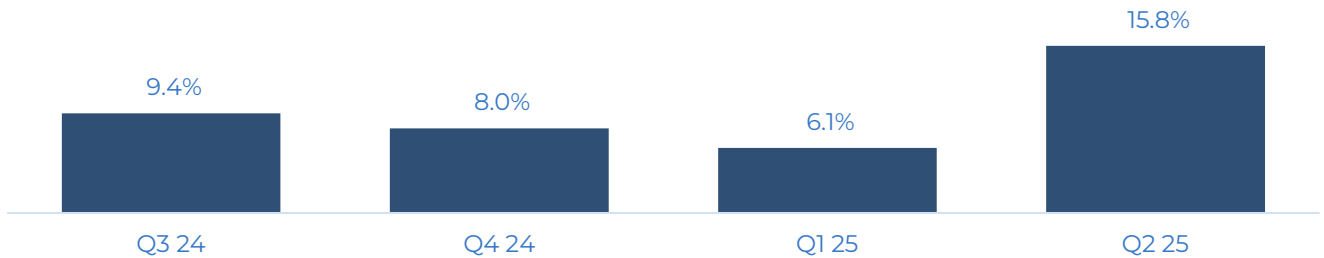
Of the largest firms, few are owned by public banks that report segment data for their premium finance groups. On an aggregate basis, these companies reported a significant increase in outstandings both quarter-over-quarter and year-over-year.

	P&C OUTSTANDINGS ¹	Q/Q CHANGE	Y/Y CHANGE
FIRST INSURANCE[®] FUNDING A WINTRUST COMPANY	\$8,323	15.0%	17.2%
 US PREMIUM FINANCE [®] A DIVISION OF AMERIS BANK	\$1,294	10.0%	12.4%
 Peoples PREMIUM FINANCE	\$278	5.3%	(5.2%)
 AGILE PREMIUM FINANCE A division of First Financial Bank	\$256	24.3%	23.1%
AGGREGATE REPORTED	\$10,151	14.2%	16.0%

¹\$ in millions

ANNUAL GROWTH RATE OF COMPOSITE INDEX (Y/Y change)

Excludes Agile Premium Finance



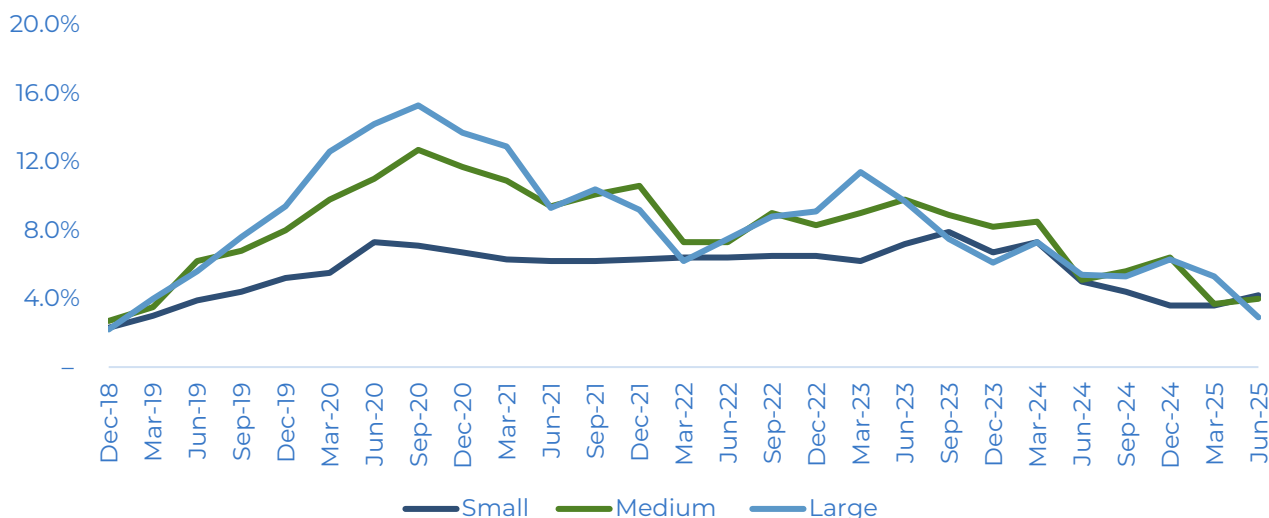
COMMENTARY

The property and casualty (P&C) insurance premium finance market continued to benefit from elevated insurance pricing in Q2 2025, even as market conditions showed signs of moderation. Higher premiums sustained demand for financing solutions as insureds sought to spread costs over time. Wintrust noted during its Q2 earnings call that the second quarter is seasonally strong for premium finance activity, highlighting the structural pattern of heightened volumes in this period.

Financial results from leading public premium finance providers reflected these dynamics. First Insurance Funding, US Premium Finance, and Agile Premium Finance each posted double-digit quarter-over-quarter growth in P&C outstandings, consistent with the seasonal lift in Q2. Year-over-year comparisons also showed robust increases, though the growth rates were amplified by a lower base in Q2 2024 following Wintrust's sale of a portion of First Insurance Funding's loan portfolio during that period. Peoples Premium Finance delivered comparatively modest results, with 5.3% quarter-over-quarter growth aligned with seasonal trends but a 5.2% decline year-over-year.

INSURANCE PREMIUM PERFORMANCE – PROPERTY & CASUALTY¹

Commercial P&C insurance premiums rose 3.7% quarter-over-quarter on average in Q2 2025, down from 4.2% in Q1. Increased carrier competition and additional market capacity, particularly in large accounts, contributed to the slowdown in premium growth, offsetting premium increases in umbrella lines and commercial auto.



SMALL ACCOUNTS

Small accounts, defined as insureds that pay less than \$25k in commissions and fees to insurance agents and brokers, recorded average premium increases of 4.2% in Q2 2025, up from 3.6% in Q1.

MEDIUM ACCOUNTS

Medium accounts, defined as insureds that pay between \$25k and \$100k in commissions and fees, experienced average premium increases of 4.0% in Q2 2025, up slightly from 3.7% in Q1.

LARGE ACCOUNTS

Large accounts, defined as insureds that pay more than \$100k in commissions and fees, recorded average premium increases of 2.9% in Q2 2025, a sharp slowdown from 5.3% in Q1. The moderation reflects carriers becoming more aggressive in pursuing large accounts, increasing capacity and competition.

COMMENTARY

Despite slowing premium growth, the tracked companies posted double-digit increases in outstandings on both a quarter-over-quarter and year-over-year basis. Historically, Q2 is the strongest period of growth in the industry. The year-over-year growth was primarily driven by Wintrust's portfolio normalizing after selling 10.1% of its premium finance assets in Q2 2024. Adjusting for that one-time event, Q2 2025 growth would have been 7.0%, consistent with historical seasonal trends.

STABLE RATE ENVIRONMENT:

The Federal Reserve kept the Federal Funds Rate unchanged during Q2 2025, holding the target range at 4.25%-4.50%. The decision underscores the Fed's cautious stance as inflation readings show progress but remain uneven.² For premium finance lenders and borrowers, stability in funding costs has provided predictability, though it has not delivered incremental growth tailwinds.

PERSISTENT MARKET SOFTENING:

Premium growth slowed further in Q2. Respondents to CIAB's survey noted that insurers were increasingly aggressive in retaining and growing share, particularly in large accounts, where premium increases fell sharply compared to Q1. Additional market capacity also weighed on pricing momentum, limiting premium growth even in lines that typically post higher increases.³ As a result, premium levels are flattening, which directly caps loan sizes in premium finance. While borrower demand for financing remains steady, the smaller ticket size of loans has tempered revenue momentum for lenders.

In their Q2 2025 earnings call, Wintrust's management gave commentary on the growth in their Premium Finance portfolio:

WINTRUST

"This past quarter [...] we saw just over \$1 billion of growth in this portfolio in line with our forecast. While we have seen some moderation in insurance premium rate increases, the overall market remains firm. In addition, we continue to benefit from new opportunities as a result of consolidation and dislocation within the premium finance industry."

- Richard Murphy, Vice Chairman and CLO
Wintrust

¹Excluding Agile Premium Finance

²FOMC Press Release, May 2025

³CIAB Commercial Property/Casualty Market Survey

2 RECENT TRANSACTIONS

FINANCING TRANSACTIONS



- In Q2 2025, IPFS raised an aggregate \$550 million of asset-backed notes secured by insurance premium finance loans. The issuance was structured across two series: \$150 million series 2025-C and \$400 million Series 2025-D.

\$150MM Securitization (Series 2025-C)

- Class A notes: \$141 million, rated AAA by S&P
- Class B notes: \$9 million, rated A by S&P

\$400MM Securitization (Series 2025-D)

- Class A notes: \$376 million, rated AAA by S&P
- Class B notes: \$24 million, rated A by S&P

3 OUTLOOK AND CONCLUSION

OUTLOOK

Insurance premium finance is an attractive asset class for banks and independent operators alike. The asset class has a track record of consistently delivering attractive risk-adjusted returns with low credit losses. The short average term of the underlying asset allows lenders to efficiently reposition and reprice their portfolios. In an uncertain macroeconomic environment with rising commercial lines P&C premiums, borrowers are likely to leverage premium financing to better manage cash flow and liquidity, accelerating growth for premium finance lenders.

CONCLUSION

Colonnade has been either the sell-side or buy-side M&A advisor for most transactions within the insurance premium finance space over the past 20 years. These complex transactions require an investment banking team with a wealth of industry experience, insider-level mastery, competitive positioning, and a vast network of buyer relationships. If you own a premium finance company or you are contemplating an acquisition in the space, please contact us. The Colonnade team is an expert industry resource for you to leverage as you consider your next steps.

Our podcast and White Paper on the Insurance Premium Finance industry may also be of interest. In these industry overviews, we answer the following questions:

- What is the Insurance Premium Finance Industry?
- How are insurance premium finance companies valued?
- Why are Insurance Premium Finance companies attractive to buyers?
- How has the Insurance Premium Finance industry changed over time?
- What are the key drivers of valuation for Insurance Premium Finance companies?
- How can Insurance Premium Finance companies differentiate themselves in the market?
- Is there a sweet spot in terms of loan size and yields for high-value Insurance Premium Finance businesses?
- What advice would you give to owners of insurance premium finance companies to get them ready to go to market?



COLONNADE IS THE LEADING ADVISOR TO THE INSURANCE PREMIUM FINANCE INDUSTRY

 has sold its premium finance division to  The undersigned acted as exclusive financial advisor to Pathward COLONNADE	 was sold to  COLONNADE	 was sold to  COLONNADE	 was sold to  COLONNADE	 raised capital from COPLEY EQUITY PARTNERS COLONNADE	 was sold to  COLONNADE
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This advertisement was prepared September 2025. It is not investment advice, and Colonnade undertakes no obligation to update the information contained herein.

Sources: SEC filings, CIAB, Company Earnings Calls

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