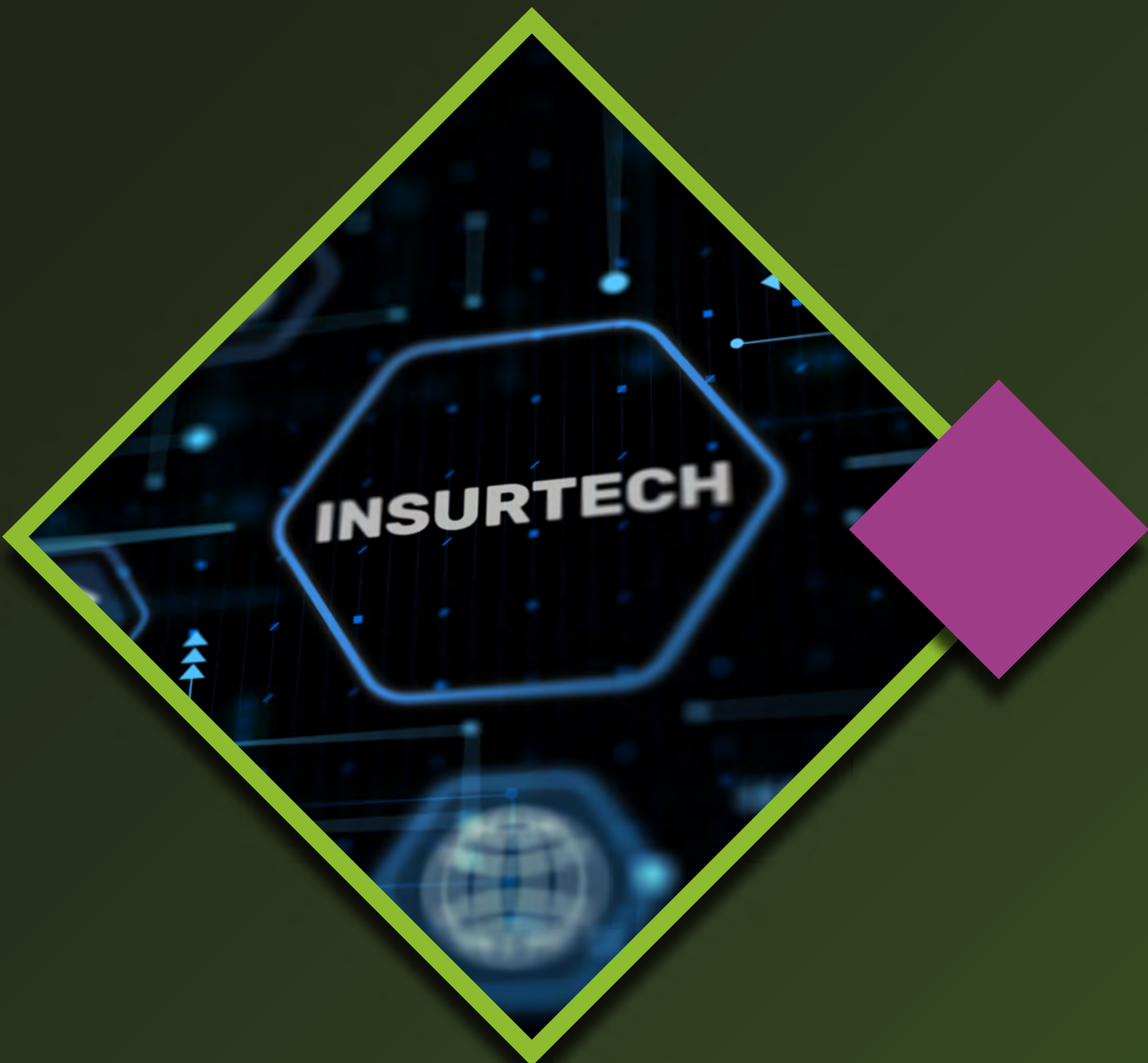
Insurtech Market Sector Update

Rapid global, European, and UK Insurtech growth driven by AI, embedded insurance, and rising demand for digital, personalised coverage. This update outlines key players, market drivers, challenges, and active UK M&A as insurers adopt automation, data analytics, and cloud platforms.



Key Highlights

Introduction

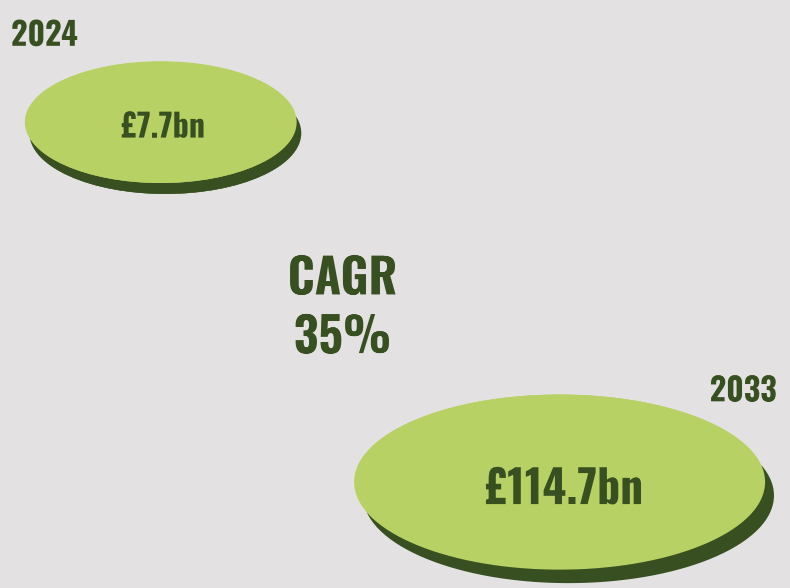
The Insurance Technology (Insurtech) sector is entering a pivotal phase of accelerated growth, consolidation, and investor appetite, creating a highly favourable environment for business owners evaluating a sale. Global Insurtech market value is projected to surge from £7.7 billion in 2024 to £114.7 billion by 2033, with the UK emerging as one of the world's most dynamic hubs. Driven by strong adoption of AI, embedded insurance, and digital-first customer experiences, the UK now hosts over 350 active Insurtech firms and continues to attract rising levels of venture capital and strategic investment.

Forces shaping today's M&A landscape include, increasing demand for AI-driven underwriting and claims automation, expanding internationalisation of UK Insurtechs, and sustained buyer interest from insurers, private equity firms, and global technology providers seeking scalable, tech-led platforms. With deal activity accelerating across specialty lines, digital distribution, and emerging risk categories, the current market presents significant opportunities for Insurtech businesses to achieve premium valuations - particularly those offering differentiated technology, strong data capabilities, or embedded ecosystem partnerships.

Market Overview

Global Market

The global Insurtech market is experiencing rapid expansion, rising from £7.7 billion in 2024 to a projected £114.7 billion by 2033. This growth, driven by a strong CAGR of 35%, reflects increasing adoption of AI-enabled underwriting, automation in claims, and the rise of embedded and parametric insurance models. Global demand is being shaped by emerging risks such as climate events, cyber threats, and shifting demographic needs, positioning Insurtech as a critical force in the future of insurance.



European Market

Europe is set to see even faster Insurtech growth, scaling from roughly £1.9 billion in 2024 to £38.3 billion by 2033. With a CAGR of nearly 40%, the region benefits from strong cross-border digital adoption, supportive regulatory frameworks, and a growing focus on AI-enabled personalisation and risk assessment. Europe's momentum is also boosted by the uptake of embedded insurance across retail, travel, and mobility platforms, creating significant new distribution channels.

UK FOCUS

The UK remains one of the world's leading Insurtech hubs, expanding from £254.7 million in 2024 to over £3 billion by 2033 at a CAGR of 31.6%. Growth is driven by digital-first customer expectations, widespread use of AI and generative AI, and strong demand for cloud-based and managed services. Health insurance, managed service models, and cloud technologies currently dominate the market, while London's position as a global financial centre continues to attract investment, talent, and innovation.

Growth Drivers and Challenges

Technology Adoption & AI Innovation

Insurtech growth is heavily driven by rapid adoption of AI, generative AI, machine learning, and advanced analytics. Over 70% of UK Insurtech firms are already running or expanding gen-AI pilots. These technologies automate underwriting, speed up claims processing, enhance fraud detection, and deliver more accurate pricing, significantly improving operational efficiency and customer experience.

Rising Demand for Personalised & Digital-First Insurance

Consumers increasingly expect personalised, flexible insurance aligned with their lifestyles and financial goals. Insurtechs meet this demand through data-driven product design, real-time risk assessment, and seamless digital interfaces. Embedded insurance - integrated directly into e-commerce, travel, mobility, and other platforms - is also accelerating adoption by offering insurance at the point of need.

Innovation in Emerging & Underserved Risk Segments

The sector is rapidly evolving to address emerging risks such as cyber threats, climate-driven events, renewable energy, fertility and mental health needs, and longevity risks. Tailored, niche products - such as parametric climate covers or specialised cyber policies - are creating new growth verticals and competitive differentiation.

Scaling & International Expansion

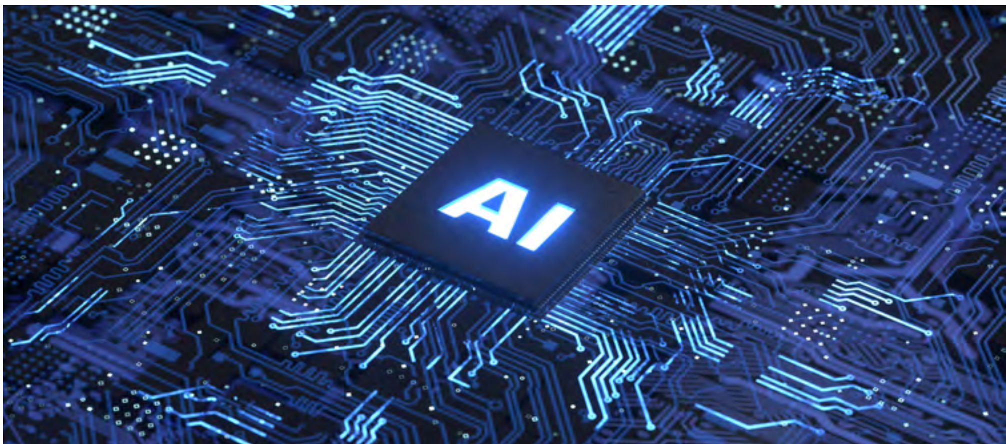
Around 60% of UK Insurtech firms are expanding overseas, particularly into Europe. Value-chain enablers (e.g., claims automation, underwriting platforms) are growing quickly because they scale more efficiently without requiring full regulatory burden. This internationalisation strengthens market reach and investor appeal.

Regulatory Compliance & Cybersecurity Risks

Because Insurtech business models rely heavily on data, analytics, and AI, firms are highly exposed to cybersecurity threats and potential data breaches. Ensuring compliance with stringent compliance requirements and maintaining customer trust requires ongoing investment in security infrastructure and robust data governance.

Customer Trust & Digital Adoption Gaps

Although digital-first models are expanding, a notable portion of consumers - especially older demographics - remain cautious about fully digital insurance. Firms must prove reliability, provide transparent communication, and deliver secure, intuitive experiences to close this trust gap and drive broader adoption.



Recent UK M&A Activity

Entrepreneurs Hub Case Study

This deal was completed in September 2025 after the founder of Socrates Systems, Jody Brooks, decided to engage the services of Entrepreneurs Hub to help him find a suitable acquirer for the business he started in 2008.

Socrates Systems has built an excellent reputation for its highly scalable, cloud-based insurance distribution solution. The company's flagship product, Socrates Online, is a web-based middleware system that acts as the interface between underwriters and insurance distributors – including brokers, aggregators, and direct-to-consumer channels – to streamline the entire quote-to-purchase journey.

Operating as a software-as-a-service (SaaS) model, Socrates Online is 80% ready for deployment before being commissioned, with the remaining 20% of systems being developed in accordance with client requirements.

Entrepreneurs Hub identified a significant number of potential acquirers for this business with strong intrest coming from within the UK as well as some US and European interest too. In the end the most compelling acquirer was UK firm Insly who saw the potential to bring Socrates Systems alongside the Insly brand complementing their own offering.

"The increasing digitisation of the insurance industry is a strong driver for rapid local and international expansion as competition fuels growth. Socrates Systems is well positioned to take advantage of the projected growth in this market.

"Our priority was to find the best possible home for the business – one that would support the company's future expansion and maximise value for shareholders. Insly was an ideal fit. The sale means Socrates gains access to Insly's AI toolkit, bullet-proof infrastructure and global reach while retaining their independence. It's just another reminder of why we do what we do - turning years of success into the next chapter, on the founder's terms."

Andrew Shepperd - Director, Entrepreneurs Hub

Recent UK M&A Activity

Selected UK Acquistions

Transaction Date	Transaction	Rationale
Advised by Entrepreneurs Hub Ltd September 2025	Socrates Systems Acquired by Insly	Proven Insurtech solution with secure, repeat licensing and strong recurring revenue in a growing market.
September 2025	Cytora Acquired by Applied Systems	Enhance AI-driven insurance platform and accelerate its Digital Roundtrip of Insurance. Strengthens Applied's leadership in insurance technology.
August 2025	Bespoke Insurance Group Acquired by NFP	Strengthen its position in the UK specialist and delegated-authority market, adding multi-line MGA capabilities, underwriting expertise, and diversified revenue streams.
August 2025	City Quarter Brokers Acquired by Specialist Risk Group	Enhance its expertise in complex risks across construction, engineering, and infrastructure. The deal strengthens SRG's Wholesale division, and expands its global reach.
July 2025	Juniper Acquired by Fertifa	Expands its reproductive health platform with insurance-native products and employer distribution, enabling a fully insured, end-to-end benefits offering.
July 2025	Tedaisy Insurance Group Acquired by SantéVet & Consortium	The acquisition enhances SantéVet's digital and tech-led capabilities, supports operational and underwriting synergies, and strengthens its position as a leading pan-European pet insurance platform.
April 2025	Nettle Acquired by Project A Ventures	The investment aligns with Project A's strategy to back high-impact AI solutions transforming traditional industries, supporting Nettle in scaling its technology and team to modernize risk evaluation processes across global insurers.

UK M&A Outlook

Global Value by 2033
£115bn

Europe Market Share
33%

UK CAGR 2023-2033
31%

Overview

M&A activity in the UK Insurtech market is strong and accelerating, driven by insurers, technology providers, and private equity investors seeking to enhance digital capabilities, expand product portfolios, and gain competitive advantage. Recent transactions highlight a clear strategic focus on integrating AI, data analytics, and cloud-based platforms to modernise underwriting, automate workflows, and improve operational efficiency. Acquisitions such as Applied Systems' purchase of Cytora and Sapiens' acquisition of AdvantageGo demonstrate growing demand for advanced risk digitisation and intelligent underwriting tools, while investments in firms like Nettle and FloodFlash signal rising interest in AI-powered risk engineering and parametric insurance solutions. These deals reflect a broader shift toward automation, predictive analytics, and technology-enabled distribution as core value drivers in the sector.

In parallel, consolidation is reshaping the distribution and specialty markets, with buyers targeting MGAs, brokers, and niche insurance providers to broaden capabilities and reach high-margin or underserved segments. Transactions such as NFP's acquisition of Bspoke Insurance Group, Specialist Risk Group's acquisition of City Quarter Brokers, and SantéVet's purchase of Tedaisy Insurance Group illustrate the strategic emphasis on scaling specialty lines, embedded insurance models, and digital-first customer propositions. Private equity interest remains resilient, with firms like Cinven and Astorg backing scalable, technology-led businesses poised for continued growth. Overall, the UK InsurTech M&A landscape is characterised by strong investor confidence, increasing strategic alignment between incumbents and innovators, and sustained demand for platforms that combine advanced technology with compelling distribution or product capabilities.

M&A Trends to be aware of:

- **Strong and sustained deal activity**
- **Growing focus on AI, data and cloud**
- **Increased investment in automation and risk engineering technologies**
- **Consolidation in the MGA and speciality insurance space**
- **Expansion into digital-first and customer-centric propositions**
- **Robust interest from Private Equity**
- **Strategic emphasis on modernisation and efficiency**
- **Rising appetite for companies addressing emerging risks**

Conclusion

The UK Insurtech sector stands at a pivotal moment, defined by rapid technological advancement, sustained investor confidence, and a wave of strategic consolidation that is reshaping the industry. With the market projected to grow significantly over the next decade, the ecosystem has become highly attractive to both domestic and international acquirers. The pace and diversity of recent M&A activity demonstrate strong buyer appetite across the value chain. This depth of interest reflects a clear recognition that technology-led models are essential for insurers seeking scale, efficiency, and modernised operating capabilities.

At the same time, private equity firms and strategic investors are actively competing for high-quality assets that offer defensible technology, strong data capabilities, and scalable operating models. For UK Insurtech business owners, this presents a favourable environment where valuations can be strong and exit opportunities plentiful, particularly for businesses with differentiated propositions and clear pathways to scale.

For companies positioned with strong technology, clear market traction, or unique access to high-growth segments, now is an especially compelling time to explore strategic options and realise significant value in a dynamic and expanding market. Buyers are motivated, capital is available, and the strategic rationale for acquiring innovative Insurtech capabilities has never been clearer.

Entrepreneurs Hub have recent experience in this sector and if you would like to find out more about how we can help you as you consider, plan or pursue your exit strategy, please contact us.

Next Steps

Please let us know if you would like to speak with one of our Directors on a confidential and no-obligation basis.

We can discuss timing, preparing for sale, guide valuations, or just give you an honest opinion of where you're at.

08450 678 678

info@entrepreneurshub.co.uk

Malcolm Murray
Co-Founder / Director
07899 913220
malcolm@entrepreneurshub.co.uk

Tim Allaston
Director
07785 996300
tim@entrepreneurshub.co.uk

Howard Dingley
Director
07388 493000
howard@entrepreneurshub.co.uk

About Entrepreneurs Hub

Entrepreneurs Hub is a trusted M&A advisory firm with a focus on UK SME businesses. We are a highly experienced team who have been where you are - entrepreneurs, business owners, and board-level directors, we have bought companies, sold companies and advised hundreds of clients to do the same.

Get In Touch

Entrepreneurs Hub Limited
The Courtyard, Brinkletts House,
15 Winchester Road, Basingstoke,
Hampshire RG21 8UE

w - entrepeneurshub.co.uk
e - info@entrepeurshub.co.uk
t - 08450 678 678

Basingstoke - London - Birmingham - Manchester

Sources used in preparing this document

- Global Market
- Europe Market & Drivers
- UK Market
- Drivers
- Trends
- Key Insights
- M&A Outlook EY
- M&A Outlook Marshberry
- M&A Outlook AON
- M&A Outlook Everest GRP

Disclaimer