

# “Mergers and acquisitions in the insurance sector: A systematic and bibliometric analysis of research trends, determinants, and future directions”

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# MERGERS AND ACQUISITIONS IN THE INSURANCE SECTOR: A SYSTEMATIC AND BIBLIOMETRIC ANALYSIS OF RESEARCH TRENDS, DETERMINANTS, AND FUTURE DIRECTIONS

## Abstract

Mergers and acquisitions (M&A) are increasingly popular transactions in financial markets, often seen as a faster and safer way to achieve growth and create value. However, research focusing exclusively on the insurance industry remains limited. This research article aims to synthesize the characteristics of existing studies, describe the methods and variables used, present the results regarding the impact on the value and performance of the companies involved, identify the main determinants of this impact, and finally, highlight the main gaps and directions for future research. Studies published up to 2025 were collected from the Web of Science and Scopus databases, resulting in a final sample of 28 articles. The analysis shows that the Journal of Banking & Finance, Journal of Risk and Insurance, and Journal of Risk Finance are the leading publication outlets, with J. David Cummins emerging as the most influential author. Publication peaks occurred in 2008 and 2011, although no sustained upward trend was observed. Most studies focus on non-life insurers and use U.S. data. Methodologically, event studies and DEA models dominate the literature, focusing respectively on shareholder value creation and firm efficiency. Findings remain mixed, since M&A transactions are theoretically expected to create value, yet empirical evidence shows considerable variation across contexts. Identified determinants of M&A performance include company size, prior M&A experience, geographic or sectoral diversification, payment method, ownership and business type, governance, and human resources.

## Keywords

mergers and acquisitions, insurance, determinants, bibliometric analysis

## JEL Classification

G34, G22, C83, M21

## INTRODUCTION

Globalization (Cummins et al., 2015), advances in telecommunications and information technologies (Liang et al., 2021), and deregulation (Cummins & Rubio-Misas, 2006) have transformed the structure of financial markets, particularly the insurance sector. These forces have reduced barriers between financial intermediaries, spurring an increase in mergers and acquisitions (M&A<sup>1</sup>) as insurers seek competitive strength and strategic growth (Cummins & Weiss, 2004; Cummins et al., 2017).

M&A have become central to insurers' strategies, enabling them to achieve economies of scale, diversify risks (Cummins & Xie, 2008), and enhance operational efficiency (Berger et al., 1999). Technological

1 A merger is defined as the combination of two or more companies into one, in which the merged entity loses its independent identity. An acquisition is understood as an attempt by one company to obtain a majority stake in another company (Zhang et al., 2020).



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### Conflict of interest statement:

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innovations such as artificial intelligence, big data, and robotic process automation have reshaped how insurers assess targets, identify synergies, and manage post-M&A integration. At the same time, regulatory frameworks – most notably the Solvency II directive – have intensified consolidation pressures across European markets (Floreani et al., 2025).

In this context, M&A play a critical role in shaping the insurance industry's evolution. They not only facilitate market expansion and technological adaptation but also influence firm performance, financial stability, and long-term competitiveness. Understanding these dynamics is essential for researchers, policymakers, and industry leaders investigating the ongoing transformation of the global insurance sector.

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## 1. LITERATURE REVIEW

Research on M&A has evolved significantly in recent decades (Chiaromonte et al., 2023; DeYoung et al., 2009), reflecting the strategic importance of these transactions for companies' external growth and market consolidation. However, despite the vast empirical literature across various sectors, few studies specifically focus on the insurance industry. Systematic<sup>2</sup> and bibliometric analysis offers an effective approach to fill this gap, as it enables the assessment of publication trends, the most influential authors, and conceptual connections within the scientific field.

Early reviews, such as Amel et al. (2004), DeYoung et al. (2009), and Ferreira et al. (2014), examined M&A trends in financial institutions, focusing primarily on banks. Despite their contribution to the literature, these studies relied largely on narrative synthesis and lacked the methodological rigor and transparency afforded by bibliometric and meta-analytic approaches. Furthermore, they focused on earlier periods and broader financial sectors without isolating the specific M&A dynamics within the insurance industry. Since those earlier reviews, both the banking and insurance sectors have undergone major transformations. Advances in telecommunications and information technologies (Liang et al., 2021), regulatory reforms with the deregulation of financial markets (Cummins & Rubio-Misas, 2006; Cummins & Venard, 2007), and market globalization (Cummins et al., 2015; Cummins & Venard, 2007) have reshaped industry structures and competitive dynamics, motivating consolidation. These developments have also introduced new questions regarding efficiency, market power, and systemic risk (Brito et al., 2013).

Despite their growing use in corporate finance and strategic management (e.g., Yaghoubi et al., 2016; DePamphilis, 2018), bibliometric studies focusing on M&A in the insurance industry remain virtually nonexistent. Existing empirical studies on insurance M&A typically emphasize transaction performance, value creation, or efficiency, using event studies or efficiency frontier models to assess firm-level impacts (Cummins & Weiss, 2004; Cummins & Xie, 2008; Brito et al., 2013).

The lack of bibliometric research in this field limits the visibility of key trends – such as geographic concentration, dominant methodologies, key variables and determinants, and emerging topics – in insurance-related M&A studies. For example, most research remains focused on the U.S. market and non-life insurers, suggesting the need for comparative, cross-country, and multi-sector bibliometric mapping.

Therefore, the present study adopts a systematic and bibliometric approach to consolidate existing knowledge on M&A in the insurance sector.

## 2. METHODOLOGY

This study used a systematic and bibliometric approach to analyze M&A in the insurance sector. To gather the most comprehensive set of articles, two databases were selected: Web of Science (WoS) and Scopus. These databases were chosen because they provide extensive coverage of peer-reviewed journals and high-quality bibliographic information across economics, management, and finance disciplines.

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<sup>2</sup> According to Petticrew (2001), it is a method for locating, evaluating, and synthesizing evidence, whose main objective is to answer a specific question, reduce bias in the selection and inclusion of studies, and synthesize them objectively.

For both WoS and Scopus, the selected keywords were related to the insurance sector ('insurer', 'insurance'), and to the M&A phenomenon ('acquisitions and mergers', 'acquisition and merger', 'merge and acquisition', 'acquisition & merge', 'acquisitions & mergers', 'mergers and acquisitions', 'merge & acquisition', 'mergers & acquisitions', 'M&A', 'takeover' and 'consolidation'). To identify the most relevant studies, the search was limited to article titles, keywords, and abstracts, entered in two search fields on databases: insurer OR insurance, and "acquisitions and mergers" OR "acquisition and merger" OR "mergers and acquisitions" OR "acquisition and merger" OR "acquisitions and mergers" OR "mergers and acquisitions" OR "mergers and acquisitions" OR "mergers and acquisitions" OR "M&A" OR acquisition OR consolidation. This combination of search terms was designed to maximize coverage while maintaining thematic focus, ensuring that only studies directly addressing M&A in the insurance sector were retrieved.

No temporal restrictions were applied, ensuring that all relevant studies published up to 2025 were included. The search was conducted on October 10, 2025, and all relevant information was compiled in a Microsoft Excel spreadsheet for further analysis. The search generated 662 results from WoS and 1,145 results from Scopus, totaling 1,807 articles. To ensure methodological rigor, a multi-stage filtering process was applied (Figure 1).

- Duplicate removal:
- A total of 327 duplicate records were excluded.
- Screening by document type:

Documents not classified as peer-reviewed research articles were removed, totaling 357 exclusions, including survey research (19), review articles (115), conference proceedings and papers (103), notes (16), meeting abstracts (2), letters (6), errata (2), editorial materials (19), business articles (1), book reviews and chapters (58), and books (16).

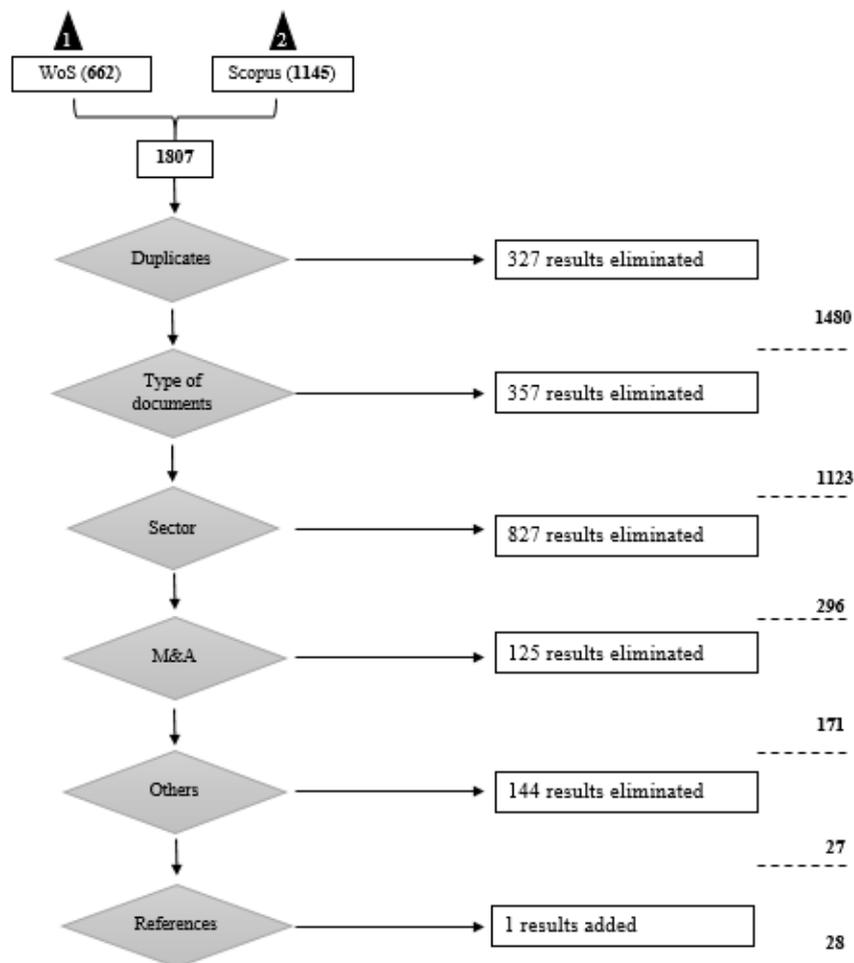


Figure 1. Results of article selection

These document types were excluded due to the general lack of rigorous peer review and research standards required for this analysis. As a result, only peer-reviewed articles were included.

- Screening by sector focus:

Based on title and keyword analysis, 827 articles were excluded for focusing on sectors other than insurance, primarily the health and banking industries.

- Abstract screening:

Abstracts were reviewed to confirm that M&A was the central topic of the study. A total of 125 articles were removed because M&A was mentioned only briefly or as part of a contextual discussion, without substantial theoretical discussion or direct data analysis related to M&A.

- Full-text screening:

To ensure relevance and depth, introductions and conclusions were examined. This led to the exclusion of 139 additional articles that, while discussing M&A, did not focus specifically on the insurance sector. Furthermore, five articles were removed due to the unavailability of full-text access.

- Reference screening:

To enhance the robustness of the selection, a manual reference check was conducted using the reference lists of the initially identified studies. This step yielded one additional article, resulting in a

final total of 28 publications. This manual verification confirmed that the topic of M&A in the insurance sector remains underrepresented in the broader financial literature.

In summary, the final sample reflects the limited scholarly attention given to M&A within the insurance industry, especially compared with banking and other financial sectors. The combination of systematic screening and bibliometric verification ensures that the resulting dataset is both comprehensive and reliable, forming a solid foundation for the subsequent descriptive, analytical, and interpretive stages of this study.

### 3. RESULTS AND DISCUSSION

#### 3.1. Overview

This chapter presents a comprehensive overview of the characteristics of the reviewed studies (see Appendix A, Table A1), highlighting the most commonly employed methods and variables. It also examines the impact of M&A on the value and performance of insurance companies and identifies the main determinants influencing these outcomes in M&A transactions.

With respect to the characterization of the literature, several trends were observed. The *Journal of Banking & Finance*, *Journal of Risk and Insurance*, and *Journal of Risk Finance* were identified as the most prolific publication outlets. Together, these journals represent 32.1% of the total sample (n = 9), indicating their im-

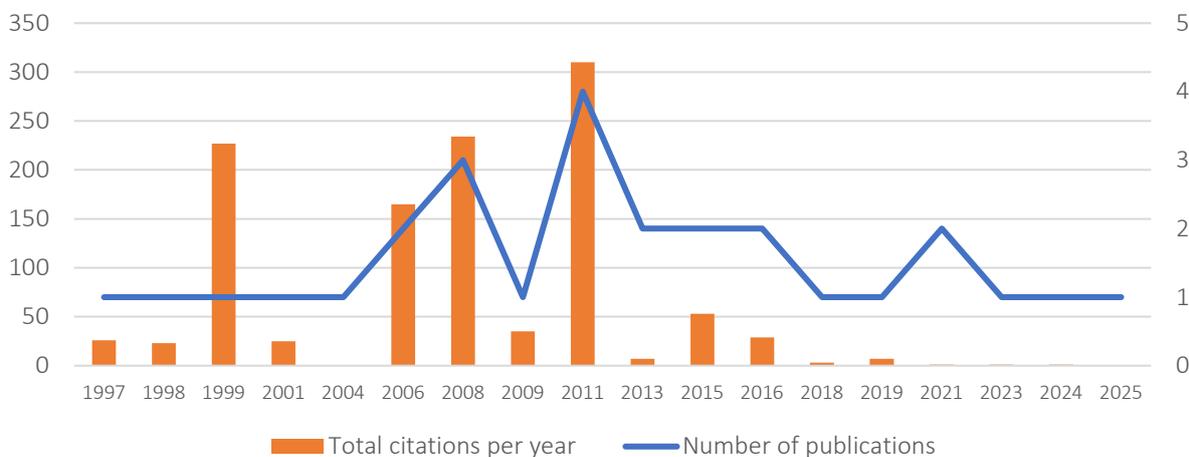


Figure 2. Number of publications and citations

portance in disseminating research on M&A in the insurance sector. Among authors, J. David Cummins stands out as the most influential contributor. The years 2008 (n = 3) and 2011 (n = 4) recorded the highest number of publications (see Figure 2), but there is no consistent upward trend in the number of studies over time. Furthermore, non-life insurance companies have received more attention in empirical studies than life insurance firms (n = 11, 39.3% non-life; n = 3, 10.7% life; n = 14, 50.0% unspecified). Notably, there is a lack of comparative studies across different business lines.

### 3.2. Geographic and temporal distribution

In terms of geographic distribution, the United States dominates the literature, both in terms of data coverage and frequency of analysis (46.4% of the sample; n = 13). Most studies focus on a single-country context, underscoring the need for expanded research that includes multi-country comparisons and cross-regional analyses across different lines of business. Furthermore, the data analyzed in most studies refer to the 1980s and 1990s, with an average study period of approxi-

**Table 1.** Main methods and variables

Main objective	Main method	Authors	Main variables
Analyze the impact of M&A on the value or performance	Data Envelopment Analysis (DEA)	Cummins et al. (1999)	Inputs: home office labor; agent labor; business services (including materials and physical capital); financial capital // Output: incurred benefits; reserves
		Cummins and Rubio-Misas (2006)	Inputs: labor; business services (including materials and physical capital); debt capital; equity capital // Outputs: losses incurred; reinsurance reserves; reserves for primary insurance contracts; invested assets
		Cummins and Xie (2008)	Inputs: administrative and agents labor costs (salary); consumer price index (CPI); equity capital // Outputs: losses incurred; ROE (return on equity)
		Cummins and Xie (2009)	Inputs: home office labor; agent labor; business services; financial equity capital // Outputs: losses incurred
		Golden and Yang (2019)	Inputs: hospital and medical expenses; claims adjustment expenses; general administrative and investment expenses; capital and surplus // Outputs: net underwriting gains and losses; net investment gains and losses
	Event Study (AAR, CAR, CAAR, BHAR <sup>3</sup> ...)	Akhigbe and Madura (2001)	Stock price
		Cummins and Weiss (2004)	Stock price
		Elango (2006)	Stock price; market size; bilateral trade (imports and exports); Hofstede's four cultural dimensions; geographic distance
		Boubakri et al. (2008)	Percentage of shares acquired; deal value; number of directors sitting on the board; index of investor protection
		Cummins et al. (2015)	Stock price
		Jakubik and Zafeiris (2018)	Stock price
	Regression analysis	Shim (2011)	ROA (return on assets); ROE (return on equity)
		Mühlnickel and Weiß (2015)	Microeconomic variables: company size; ROA; operational expenses; assets; market-to-book index; loss ratio; leverage; short-term funding; non-policyholder liabilities; stock volatility // Macroeconomic variables: interest rate; herfindahl-hirschman index (HHI); chinn-ito index; inflation; GDP (gross domestic product) growth; unemployment; political stability; rule of law; anti-director rights index
		Olurotimi et al. (2021)	Gross premiums; claim costs; company size
	Descriptive and inferential statistics	Aduloju et al. (2008)	[Responses to questionnaires]
	Stochastic Dominance	Altuntas et al. (2016)	Return on stock; business size
	Structural equation models	Brito et al. (2013)	Company age; number of settled claims; issued policies; assets; average amount of insurance written per policy; company size

3 AAR (average abnormal return), CAR (cumulative abnormal return), CAAR (cumulative average abnormal return) and BHAR (buy-and-hold abnormal return).

**Table 1 (cont.).** Main methods and variables

Main objective	Main method	Authors	Main variables
Other studies	Cournot model	Okura and Yanase (2013)	Premiums; number of automobiles
	Event Study	BarNiv and Hathorn (1997)	Stock price; premiums; net income; surplus; assets; profit; liabilities
		Chen and Tan (2011)	Stock prices // Macroeconomic variables: exchange rate; interest rate
		Lin et al. (2011)	Stock price; insurance coverage ratio; business size; acquisition premium; assets; market-to-book index; leverage
		Liang et al. (2021)	Stock price; ROE; ROA; net margin; return on invested capital; operating profit margin; cash flow to sales ratio
		Chamberlain and Tennyson (1998)	Reserves; assets; premiums; net profit; loss ratio; expense ratio
	Regression analysis	Shim (2023)	Economic loss ratio; company size; cost efficiency; insolvency put value; HHI index; investment rate; advertising expenses; rate regulation // Macroeconomic variable: GDP growth rate
		Xie et al. (2016)	Assets; surplus; ROA; premiums; HHI; board size
		Che et al. (2024)	Company size; reinsurance ratio; tax rate; premium growth; probability of insolvency.
		Floreani et al. (2025)	Microeconomic variables: company size; leverage; ROA; premiums written; investment ratio; insurance margin // Macroeconomic variables: GDP growth; inflation rate
Structural equation models	Hung and Hsu (2011)	[Responses to questionnaires]	

mately 12.1 years. These observations point to a critical need for more recent and diversified data sets to reflect current market dynamics.

The majority of studies focus on evaluating the impact of M&A on company value and performance, using diverse empirical strategies and data sources to measure these outcomes. The following table details the most commonly used methodologies and key variables featured in the literature.

### 3.3. Methods and variables used

The reviewed studies employ diverse empirical methodologies to assess the impact of M&A on value creation, efficiency, and performance. The most frequently adopted methods are the Event Study and DEA approaches. Event studies typically evaluate shareholder value creation using stock price reactions, while DEA assesses operational efficiency and productivity, often supplemented by the Malmquist index to capture productivity changes. Among DEA applications, the most frequently used inputs are equity and labor costs, with incurred losses being the most common output.

Regarding the most commonly used macroeconomic variables, the following stand out: interest rates, exchange rates, inflation, gross domestic

product (GDP), and unemployment. Additionally, several indices are frequently employed to capture broader economic and institutional contexts, including the Herfindahl-Hirschman Index (HHI) for market concentration, the Chinn-Ito Index for financial openness, and the Anti-Directors Rights Index, which measures the degree of shareholder protection (Mühlnickel & Weiß, 2015; Chen & Tan, 2011).

Dummy variables, created to represent categorical effects, are also used but are not included in Table 1 due to their binary nature and high frequency. These variables, which may influence M&A transactions, are discussed in greater detail when presenting the determinants.

### 3.4. Impact of M&A on value, efficiency, productivity, and financial performance

The findings presented in Table 2 summarize the impacts identified in the reviewed literature.

The shareholder value creation perspective is the most frequently studied lens for evaluating M&A success. The literature broadly indicates that M&A transactions tend to benefit the shareholders of target companies (Cummins et al., 2015; Akhigbe & Madura, 2001; Cummins & Weiss, 2004).

However, the evidence is mixed regarding the value creation for acquiring firms. While some studies (Cummins & Xie, 2009; Cummins et al., 2015; Boubakri et al., 2008; Akhigbe & Madura, 2001) find that acquiring companies experience value gains, others (Elango, 2006; Cummins & Weiss, 2004) report no significant value creation from the perspective of the stock market.

From an efficiency perspective, Cummins and Xie (2008) report that M&A transactions generate revenue efficiency gains for acquirers and cost efficiency improvements for targets. Similarly, productivity gains are often observed following consolidation. In contrast, Cummins et al. (1999) present consistent evidence of efficiency gains only for target companies. Other studies, such as Golden and Yang (2019) and Brito et al. (2013), report inconclusive results for both acquiring and target firms.

From the financial performance perspective, Altuntas et al. (2016) and Olurotimi et al. (2021) demonstrate a positive relationship between M&A activity and financial performance. Specifically, Altuntas et al. (2016) observe performance improvements over a three-year post-merger period. In contrast, Shim (2011) finds that financial performance declines for acquiring companies post-merger, accompanied by increased earnings volatility, attributed to integration costs and agency

issues. Overall, the lack of consistency in the findings on value and performance impacts suggests that these outcomes may depend on certain contextual determinants.

### 3.5. Determinants of M&A

Several factors may influence whether M&A transactions create value or improve efficiency and performance in insurance companies. The literature identifies main determinants, including company size, previous M&A experience, geographic or sectoral diversification, payment methods, and ownership or business type.

Company size is a frequently cited determinant of value creation and synergy realization in M&A. Larger firms may realize greater economies of scale and market power but face greater integration challenges (Cummins & Rubio-Misas, 2006; Boubakri et al., 2008). Smaller insurers, especially those in financial distress, are more likely to be acquired (Cummins & Xie, 2008).

Prior M&A experience is generally associated with more successful outcomes. Frequent acquirers benefit from accumulated institutional knowledge, which supports more effective integration and improves post-merger financial performance (Boubakri et al., 2008; Liang et al., 2021). Unlike other determinants, this factor shows strong con-

**Table 2.** Results on M&A impacts

Impacts	Effects	Acquiring company(ies)	Target company(ies)	All companies in the sector
Company value <sup>4</sup>	Positive	Cummins et al. (2015); Boubakri et al. (2008); Akhigbe and Madura (2001); Cummins and Xie (2009)	Cummins et al. (2015); Akhigbe and Madura (2001); Cummins and Weiss (2004)	Cummins et al. (2015)
	Negative	Elango (2006); Cummins and Weiss (2004)	–	–
	Inconclusive	Jakubik and Zafeiris (2018)		
Efficiency and productivity	Gains	Cummins and Xie (2008)	Cummins and Xie (2008); Cummins et al. (1999)	Cummins and Rubio-Misas (2006); Floreani et al. (2025)
	Inconclusive	Golden and Yang (2019); Brito et al. (2013)		
Financial performance (not including company value analysis)	Increase	Altuntas et al. (2016); Olurotimi et al. (2021)	Olurotimi et al. (2021)	
	Decrease	Shim (2011)	–	–
	Inconclusive	Lin et al. (2011); Hung and Hsu (2011); Xie et al. (2016); BarNiv and Hathorn (1997); Liang et al. (2021); Mühlnickel and Weiß (2015); Chen and Tan (2011); Okura and Yanase (2013); Aduloju et al. (2008); Chamberlain and Tennyson (1998); Shim (2023); Che et al. (2024)		

4 The impact was analyzed in relation to the evolution of the stock prices of the companies involved in the context of M&A.

sensus in the literature, consistently correlating with positive outcomes.

The impact of geographic and sectoral diversification remains inconclusive, with findings varying by region, transaction type, and performance metric.

The method of payment – cash, shares, or a combination – can influence the market's perception of an M&A transaction (Altuntas et al., 2016; Che et al., 2024). The choice of payment often serves as a signal of the acquiring firm's financial strategy and valuation expectations (Altuntas et al., 2016). Empirical evidence shows that cash-financed acquisitions generate higher returns and better post-deal performance compared to stock-financed ones (Altuntas et al., 2016). Nonetheless, relatively few studies have examined this determinant in detail.

Ownership structure is a key feature of the insurance industry, characterized by two main types: mutual and stock insurers. Shim (2011) finds that stock insurers achieve higher returns, attributing this to stronger market orientation and capital pressures on managers.

Regarding lines of business, Akhigbe and Madura (2001) find that value creation in intrasectoral deals depends on whether the target operates in life, non-life, or composite insurance. Shim (2011) further suggests that firms specializing in a single line outperform diversified ones, indicating that the costs of diversification may exceed the benefits.

Corporate governance is another determinant affecting value creation in M&A. Boubakri et al. (2008) find that a higher CEO shareholding correlates with lower shareholder value creation, consistent with agency theory. Managers with significant ownership stakes may pursue personal objectives over shareholder interests. Despite its importance, governance remains an underexplored determinant in M&A studies within the insurance sector.

M&A transactions inherently affect the human resources of the involved companies, often leading to cultural clashes, changes in organizational structure, and increased workload – especially for employees of the target firm. Hung and Hsu (2011) highlight the asymmetry in the impact of M&A

on employees. While staff at acquiring firms experience minimal disruption, target firm employees face job insecurity, heavier workloads, and organizational restructuring. Layoffs are common as companies aim to reduce costs post-merger.

From a career perspective, employees of the acquiring firm perceive greater advancement opportunities, whereas those at the target firm may face stagnation or displacement. Interestingly, career prospects are weighted more heavily than workload when it comes to employee satisfaction. Additionally, organizational commitment is generally higher among employees of the acquiring firm.

Macroeconomic variables are another critical, yet underexplored, component in understanding M&A outcomes in multinational insurance contexts. Few studies sufficiently account for how national economic environments shape the success or failure of M&A transactions.

### 3.6. Synthesis

Overall, the literature provides mixed and context-dependent evidence regarding the effects of M&A in the insurance industry. While some studies confirm value creation, efficiency gains, and performance improvements, others report neutral or even negative outcomes. These inconsistencies suggest that M&A success depends on the determinants mentioned above.

The evidence also highlights significant research gaps – notably, the need for multi-country analyses, updated datasets, integration of macroeconomic variables, and deeper investigation into qualitative factors such as governance and human resources. Future research should adopt multimethod approaches and examine more recent transactions to better capture the evolving dynamics of the insurance industry in an increasingly digitalized and regulated financial environment.

## 4. LIMITATIONS

A main empirical limitation identified in the reviewed literature is the availability and accessibility of comprehensive data, which often results in the exclusion of potentially significant variables from empirical analyses. This limitation highlights the

need to update and expand the field with more recent data, especially considering the emergence of several transformative exogenous factors. These include the COVID-19 pandemic, global refugee crises, geopolitical tensions such as the Russian invasion of Ukraine, inflationary pressures, and rising interest rates – all of which may influence the insurance sector and, consequently, M&A outcomes.

The current body of literature predominantly relies on secondary data and applies quantitative methods, often neglecting the insights that could be drawn from qualitative research. In-depth interviews, case studies, and ethnographic methods could provide richer understandings of the strategic, cultural, and managerial dynamics involved in insurance-sector M&A. Such qualitative research could be particularly valuable in exploring topics like integration challenges, decision-making processes, and employee adaptation post-merger.

The literature includes a few studies that focus on multiple countries and compare the insurance sector across different lines of business and levels of development. Such comparative analyses could yield valu-

able insights for future research. For example, countries with more developed and efficient insurance sectors may serve as benchmarks for those where the sector is still emerging. In this context, it is important to emphasize that insurance penetration rates and the sector's contribution to GDP vary significantly between regions such as Africa and Europe. Therefore, the results of comparative studies would be highly relevant to stakeholders, including employees, customers, business partners, suppliers, counterparts, investors, managers, and governments.

Regarding methodological limitations, the literature search was restricted to two major databases – WoS and Scopus – which may have excluded relevant studies indexed elsewhere. To mitigate this, citation tracking was performed using reference lists, resulting in the inclusion of one additional study. Furthermore, while efforts were made to accurately classify the articles using a thematic framework, the categorization developed by the authors may not encompass all possible analytical dimensions, and alternative classification schemes may yield different insights. Although keywords were carefully selected, the possibility of omission remains.

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## CONCLUSION

This article provides a systematic and bibliometric analysis of the literature on M&A in the insurance sector, synthesizing the main characteristics of the studies, describing the methods and variables used, examining the identified impacts on the value and performance of M&A transactions within the industry, and identifying the main determinants of this impact. It also highlights the key research gaps and proposes directions for future investigation.

Findings indicate that, while M&A transactions are theoretically expected to generate value and promote growth, empirical results are mixed and context-dependent. The success of M&A deals in the insurance industry appears contingent on factors such as firm size, prior experience, governance, and market conditions. Furthermore, most research focuses on single-country studies, underscoring the need for more comparative, cross-country, and multi-sectoral analyses.

Overall, this review concludes that the insurance M&A literature remains fragmented and limited in scope. Future research should broaden its empirical base, incorporate more recent data, and diversify methods by combining quantitative and qualitative approaches. Exploring emerging themes – such as digital transformation, Insurtech<sup>5</sup>, and the bancassurance<sup>6</sup> model – will be critical to understanding how new market dynamics influence M&A outcomes. For practitioners, these findings imply that M&A should not be assumed to guarantee value creation; instead, the contextual, strategic, and managerial conditions must be carefully evaluated before pursuing such transactions.

5 Insurtechs are small companies that have insurance companies as customers, and seek to develop computer systems that simplify the entire bureaucratic process in contracting insurance and handling claims processes.

6 The term bancassurance encompasses all forms of collaboration or integration between the banking and insurance sectors (Ricci, 2012).

## AUTHOR CONTRIBUTIONS

Conceptualization: Lucileyd Ceita, Carla Amado, Jacinto Vidigal da Silva.

Data curation: Lucileyd Ceita.

Formal analysis: Lucileyd Ceita, Carla Amado, Jacinto Vidigal da Silva.

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Methodology: Carla Amado, Jacinto Vidigal da Silva.

Supervision: Carla Amado, Jacinto Vidigal da Silva.

Visualization: Lucileyd Ceita.

Writing – original draft: Lucileyd Ceita, Jacinto Vidigal da Silva.

Writing – review & editing: Lucileyd Ceita, Carla Amado.

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## APPENDIX A

Table A1. Characterization of articles that compose the sample

Reference	Journal	Citations	Objectives	Keywords	Year(s) of analysis	Geography	Size	Business line	Main findings
Aduloju et al. (2008)	Journal of Risk Finance	5	To examine how M&A contribute to enhancing financial sustainability	Acquisitions and mergers; developing countries; insurance; Nigeria	2008	Nigeria	54	Unspecified	Mergers and acquisitions (M&A) represent a viable option for insurance companies to remain competitive and sustain operations. Forming strategic alliances with multinational firms can provide local underwriters with essential technical and business support
Akhigbe and Madura (2001)	Journal of Risk and Insurance	25	To analyze how the market revalues acquiring, target, and counterpart insurers in response to merger announcements	–	1985–1995	USA	88	Unspecified	Acquiring companies experience significant and positive valuation effects. The intra-industry effect is also significantly positive in response to M&A announcements. The magnitude of these effects depends on the type of target company, as the announcement of a non-life insurer being acquired conveys more information to the market and its competitors than the acquisition of a mixed insurer
Altuntas et al. (2016)	German Journal of Risk and Insurance	27	To analyze the success of M&A for European insurance acquirers from a stock market perspective	–	1993–2009	Europe	102	Unspecified	The results demonstrate a positive relationship between M&A activity and financial performance. Acquirers that pursue geographic diversification are rewarded by the market, and transactions involving a pre-existing business relationship between the acquiring and target companies outperform those without such a relationship in the short term. Additionally, the study finds a positive association between cash payments and the success of M&A transactions for acquiring firms
BarNiv and Hathorn (1997)	Journal of Risk and Insurance	26	To study how financial information influences decisions regarding mergers or insolvency	–	1984–1992	USA	3110	Non-life	Mergers can serve as a viable alternative to insolvency for 20 to 46 percent of merged insurers. Compared to investors who sell distressed insurance companies, those who acquire them experience significantly less negative returns
Boubakri et al. (2008)	Journal of Banking & Finance	53	To analyze the effects of M&A on company value	Merger and acquisition; property–liability insurance; governance; value creation; performance of bidders; buy and hold abnormal returns	1995–2000	USA	177	Non-life	The results show that M&A creates long-term value, with abnormal returns being positive and significant after three years. Returns are significantly higher for frequent acquirers and in countries with stronger investor protection
Brito et al. (2013)	International Journal of Industrial Organization	4	To evaluate the impact of M&A on market power and operational efficiency	Mergers; market power; efficiency; non-life insurance	1999–2007	Portugal	13	Non-life	Empirical evidence suggests that mergers have not led to increased market power through coordinated behavior or to changes in cost efficiency levels

**Table A1 (cont.).** Characterization of articles that compose the sample

Reference	Journal	Citations	Objectives	Keywords	Year(s) of analysis	Geography	Size	Business line	Main findings
Chamberlain and Tennyson (1998)	Journal of Risk and Insurance	23	To analyze the extent to which financial synergies serve as a primary motivation for M&A	–	1980–1990	USA	100	Non-life	In the M&A year, insurers acquired after the negative capital shock raised significantly more external capital than those not acquired. The incidence of horizontal mergers in the industry increased substantially after the 1984–1985 shock, suggesting that the shock may have heightened information asymmetries, making it more difficult to raise external capital
Che et al. (2024)	Risk Management and Insurance Review	1	To examine the earnings management behavior of target insurers before M&A by investigating their reserving conservatism compared to control insurers	–	1997–2014	USA	229	Non-life	Target insurers tend to be more conservative in their loss reserving practices prior to acquisition deals compared to non-M&A firms. The study also shows evidence that stock-based payment methods negatively affect target firms’ reserving conservatism, while target CEO turnover post-acquisition further reduces the conservatism of target insurers’ reserves
Chen and Tan (2011)	Research in International Business and Finance	18	To investigate the risk implications and wealth effects resulting from M&A between banks and insurance companies	Abnormal returns; insurance; mergers and acquisitions; risk change	1989–2004	Europe	72	Unspecified	The results indicate that M&A between banks and insurance companies do not lead to the creation of long-term synergies. However, the financial impact of M&A between insurers remains inconclusive, as it may depend on the size of the deal and whether the company is a frequent acquirer
Cummins and Rubio-Misas (2006)	Journal of Money Credit and Banking	158	To analyze the impact of deregulation and consolidation on the structure and performance of the insurance industry	Insurance; data envelopment analysis; Malmquist index; mergers and acquisitions	1989–1998	Spain	731	Unspecified	Insolvency or liquidation has led to the removal of many small, inefficient, and poorly performing companies from the market, while acquirers in the M&A market tend to prefer relatively efficient target companies. Consolidation has been found to reduce the number of firms operating with increasing returns to scale, but also to increase the number of firms operating with decreasing returns
Cummins and Xie (2008)	Journal of Banking & Finance	176	To analyze the impact of M&A on productivity and efficiency	Mergers and acquisitions; property–liability insurance; productivity and efficiency; Malmquist; data envelopment analysis (DEA)	1994–2003	USA	245	Non-life	The evidence shows that acquired companies achieve greater gains in revenue efficiency compared to non-acquiring companies, and also experience higher cost growth and allocative efficiency than non-acquired companies. Geographic business diversification leads to greater revenue efficiency and productivity growth. Companies not affiliated with insurance groups are less likely to be acquirers, and mutual companies are less likely to be acquired than stock insurers
Cummins and Xie (2009)	Managerial Finance	35	To analyze how the market responds to acquisitions and divestitures	Insurance; data analysis; acquisitions and mergers; divestment; United States of America	1997–2003	USA	332	Nom-life	The results indicate that acquiring companies experience significant positive abnormal returns around the announcement dates of M&A transactions

**Table A1 (cont.).** Characterization of articles that compose the sample

Reference	Journal	Citations	Objectives	Keywords	Year(s) of analysis	Geography	Size	Business line	Main findings
Cummins et al. (1999)	Journal of Banking & Finance	227	To analyze the impact of M&A on operational efficiency	Efficiency; life insurance; mergers and acquisitions; scale economies; data envelopment analysis	1988–1995	USA	137	Life	Acquired companies experience greater efficiency gains compared to companies not involved in M&A. Insurers operating with non-decreasing returns to scale and financially vulnerable firms are more likely to be acquisition targets. M&A have a beneficial effect on the efficiency of target companies
Cummins et al. (2015)	Geneva Papers on Risk and Insurance – Issues and Practice	15	To analyze the impact of M&A transactions on company value	Mergers; acquisitions; event study; insurance; M&A	1990–2006	Global	1968	Unspecified	Evidence suggests that acquiring firms achieve modest positive cumulative average abnormal returns, while target firms experience significantly higher positive returns. For acquired companies, gains are significant both between sectors and within the same sector, with within-sector gains being notably higher. These results suggest that insurers should prioritize focused transactions rather than diversification
Elango (2006)	Journal of Risk Finance	7	To examine whether cross-border acquisitions generate value gains for shareholders	Acquisitions and mergers; insurance companies; shareholder value analysis; United States of America	1997–2003	USA	52	Unspecified	The results show that, from the perspective of the American stock market, M&A do not create value for the acquiring company. However, American insurance companies can create value by targeting entry into countries with large markets and extensive commercial relationships
Floreani et al. (2025)	European Financial Management	0	To analyze the effects of prudential regulation on the takeover market, focusing on the 2016 European Solvency II directive	Insurance companies; Solvency II directive; takeover market	2005–2019	Global	426	Unspecified	Horizontal mergers between insurers facilitate a more efficient distribution of fixed costs and regulatory capital across business units. Prudential regulatory requirements affect market concentration by increasing M&A activity. Evidence indicates an increase in intrasector deals (where insurance companies are more likely to acquire other insurance companies), and also shows a moderate increase in intracountry deals (where insurance companies acquire targets within the same country in the EU insurance market post-Solvency II)
Golden and Yang (2019)	North American Actuarial Journal	7	To examine the effects of M&A on health (non-life) insurance performance and market outcomes	–	2011–2014	USA	1639	Non-life	It has been demonstrated that both large and small group insurers are the most efficient from a resource-product (input-output) perspective. However, most insurers have been found to be inefficient in terms of scale efficiency
Hung and Hsu (2011)	African Journal of Business Management	4	To analyze organizational commitment from the career perspective of employees within the context of M&A	Organizational commitment; locus of control; work load; career prospect	2009	Taiwan	2	Life	Employees of the acquiring company exhibit a higher degree of organizational commitment than those of the target company. Changes in workload and career prospects have a statistically significant impact on organizational commitment

**Table A1 (cont.).** Characterization of articles that compose the sample

Reference	Journal	Citations	Objectives	Keywords	Year(s) of analysis	Geography	Size	Business line	Main findings
Jakubik and Zafeiris (2018)	<i>Ekonomicky Casopis</i>	3	To analyze the effects of M&A on stock prices	Mergers and acquisitions; abnormal return; event study; insurers	2000–2018	Europe	400	Unspecified	No significant positive abnormal returns are observed for companies involved in M&A, although variations exist depending on whether the consolidation activity is diversified or focused on the same business
Liang et al. (2021)	<i>Spanish Journal of Finance and Accounting</i>	1	To examine the role of learning through the observation of M&A activities	Insurance M&As; learning by observing; semi-strong market efficiency	1990–2014	Global	91	Unspecified	Long-term improvements in financial performance and risk profiles are strongly associated with prior M&A activity in the insurance sector
Lin et al. (2011)	<i>Journal of Financial Economics</i>	217	To examine the effect of directors and officers (D&O) insurance on the outcomes of M&A decisions	Directors' and officers' liability insurance; mergers and acquisitions	2002–2008	Canada	278	Unspecified	Executives and directors of acquiring companies with higher levels of D&O insurance tend to pay higher acquisition premiums, and their acquisitions often result in lower synergies
Mühlnickel and Weiß (2015)	<i>Journal of Financial Stability</i>	38	To examine the effects of consolidation on the contribution of acquiring companies to systemic risk	Financial crises; insurance industry; systemic risk; consolidation; mergers	1984–2010	Global	394	Unspecified	The findings reveal a strong positive correlation between consolidation and systemic risk in both the insurance and banking sectors. Non-traditional financing activities and diversification across lines of business contribute to the destabilizing effects of consolidation within the insurance industry
Okura and Yanase (2013)	<i>Journal of Risk Finance</i>	3	To analyze the motivations for M&A in a saturated market	Acquisitions and mergers; Consolidations; Deregulation; Insurance companies; Insurance market; Japan	1967–2008	Japan	–	Non-life	The study identifies market saturation as a key motivation driving companies to pursue M&A transactions in the insurance sector
Olurotimi et al. (2021)	<i>WSEAS Transactions on Business and Economics</i>	0	To analyze the effect of M&A on corporate financial success	Corporate financial performance; financial technology; insurance; mergers and acquisitions; Nigeria	2003–2016	Nigeria	15	Unspecified	The results indicate a positive effect of M&A on the corporate financial performance of insurance companies. Specifically, a one-unit increase in mergers is associated with approximately a 4% increase in the financial performance of the merged firms
Shim (2011)	<i>Journal of Financial Services Research</i>	71	To investigate the relationship between M&A, diversification, and financial performance	Performance; mergers & acquisitions; product diversification; property-liability insurers	1989–2004	USA	190	Non-life	Evidence shows that acquiring firms experience a decline in financial performance and an increase in earnings volatility following M&A, primarily due to higher transaction costs related to post-merger integration and agency problems. The costs of diversification outweigh the benefits, which explains why more specialized insurers tend to perform better than their diversified counterparts.

**Table A1 (cont.).** Characterization of articles that compose the sample

Reference	Journal	Citations	Objectives	Keywords	Year(s) of analysis	Geography	Size	Business line	Main findings
Shim (2023)	Financial Review	1	To analyze insurance price changes at companies involved in intrastate and interstate M&A transactions	Efficiency; insurance price; mergers and acquisitions; property–liability insurance	1996–2014	USA	354	Non-life	The results indicate different effects depending on the type of geographic diversity involved in the transaction. Specifically, prices of insurance products for acquiring companies decrease following interstate M&A, while intrastate M&A show no significant effects
Xie et al. (2016)	International Journal of Business	2	To examine the role of target company boards and the post-acquisition retention of target company directors	Mergers and acquisitions; board of directors; life insurers	1998–2006	USA	7153	Life	The likelihood of an acquisition is influenced by the characteristics of the Board of Directors. Smaller boards with strong reputations and without CEO dominance tend to be more likely to approve acquisitions, whereas boards with a higher proportion of outside directors are less likely to consent
<b>Articles located through references</b>									
Cummins and Weiss (2004)	Brookings–Wharton Papers on Financial Services	i	To determine whether M&A create shareholder value	–	1990–2002	Europe	1669	Unspecified	The results indicate that M&A have led to small negative cumulative average abnormal returns for acquiring companies. The study also reveals that cross–border transactions are value-neutral for acquirers, while domestic transactions result in a significant loss of value. For target companies, both cross-border and domestic transactions generate significant value, with value creation generally higher in domestic transactions than in cross-border ones

Note: *i* – Does not have information.