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Company News

ERGO gains access to the U.S. market with the full acquisition of NEXT Insurance



By [NEXT Insurance Corporate Communications](#)

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- *ERGO enters the world's largest insurance market, tapping the attractive U.S. small and medium-sized businesses (SMB) segment*
- *NEXT Insurance will complement ERGO's business capabilities through its proprietary technology stack and its fully digital underwriting platform*
- *ERGO will support NEXT Insurance's business growth by leveraging its technical excellence and insurance know-how*

“This transaction marks the start of a new chapter for ERGO. Together with NEXT Insurance, we will tap into a highly attractive market overseas, unlocking significant growth opportunities while further diversifying our existing business portfolio. At the same time, we will work with NEXT Insurance to leverage their cutting-edge technology and our technical excellence, contributing to our commitment to sustainable, profitable growth,” says Markus Rieß, Chief Executive Officer of ERGO Group.

“Today marks a significant moment for NEXT Insurance, our customers, agents, and partners alike. Over the past few years, we have transformed the U.S. small business insurance market by delivering a simple, seamless, tailored experience for business owners. This transaction will propel us forward, allowing us to scale our technology-driven approach and empower even more small business owners with innovative insurance solutions. With the strength and expertise of ERGO and Munich Re and their well-recognized re/insurance know-how, we are poised to lead the charge in reimagining small business insurance in the USA,” comments Guy Goldstein, Chief Executive Officer of NEXT Insurance.

More than 30 million small businesses across more than 1,000 professions operate in the USA, making up 99 percent of all national companies and 44 percent of the U.S. Gross Domestic Product (GDP). However, the insurance penetration among this type of companies remains relatively low as 75 percent of U.S. small businesses are considered underinsured. The total addressable market is highly fragmented and estimated at around \$175 billion, offering significant growth potential.

Founded in 2016 and headquartered in Palo Alto, California, NEXT Insurance is a leading technology-first Property & Casualty insurer focusing on the specific needs of U.S. small business owners. Through its proprietary technology stack and its digital underwriting/pricing platform, the company offers simple, digital insurance coverage, including General Liability and Workers’ Compensation. Since its creation, NEXT Insurance has witnessed significant growth and generated a top line of \$548 million in 2024. Today, the company serves more than 600,000 customers and counts around 700 employees.

ERGO and Munich Re have been closely accompanying NEXT Insurance since 2017. As of today, ERGO Group AG is a major shareholder of NEXT Insurance, holding around 29 percent of the company’s outstanding share capital. As part of ERGO Group, NEXT Insurance is expected to contribute mid-triple-digit \$ million earnings to the company’s net result in the medium-term, with further significant earnings potential beyond this.

The definitive agreement was concluded at a valuation of \$2.6 billion, for 100 percent of NEXT Insurance’s shares. The closing of the transaction is subject to customary conditions, including the required regulatory approvals, and is expected in the third quarter of 2025.

Ardea Partners LP acted as lead financial advisor and Latham & Watkins LLP served as legal advisor to NEXT Insurance. Goldman Sachs & Co. LLC, and J.P. Morgan Securities LLC also acted as financial advisors to NEXT Insurance. Kirkland & Ellis LLP, Barnea Jaffa Lande & Co., Bain & Company, Inc., and Morgan Stanley & Co. LLC acted as advisors to ERGO / Munich Re.

About ERGO Group AG

ERGO is one of the major insurance groups in Germany and Europe.

The Group is represented in over 20 countries worldwide, with a focus on Europe and Asia.

ERGO offers its retail and corporate customers a broad product portfolio in all the main classes of insurance as well as comprehensive assistance and other services. Three units operate under the umbrella of ERGO Group AG: ERGO Deutschland AG, ERGO International AG and ERGO Technology & Services Management AG. The German and international businesses as well as the global management of IT and technology services are organized in these units. About 37,000 people work either as salaried employees or self-employed sales representatives for the Group. In the 2024 financial year, ERGO generated insurance revenue of 20.8 billion euros and a net result of 791 million euros. ERGO is part of Munich Re, one of the world's leading reinsurers and risk carriers. More at www.ergo.com.

About NEXT Insurance

[NEXT Insurance](#) is a leading digital insurer transforming small business insurance with simple, digital coverage tailored to the self-employed. Trusted by over 600,000 business owners, NEXT offers policies that are easy to buy and provides 24/7 access to purchasing and servicing, including [Certificates of Insurance](#), additional insured, and more, with no extra fees.

Best Startup Employers. For more information, visit [NEXT Insurance.com](https://nextinsurance.com). Stay up to date on the latest with NEXT on [X](#), [LinkedIn](#), [Facebook](#) and our [blog](#).

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