



Buy and Hold 1 of These Insurance Stocks Forever

Description

Manulife Financial Corp. ([TSX:MFC](#))([NYSE:MFC](#)), **Sun Life Financial Inc.** ([TSX:SLF](#))([NYSE:SLF](#)), and **Industrial Alliance Insur. & Fin. Ser.** ([TSX:IAG](#)) are three of the world's largest providers of life insurance and other financial products and services, and all of their stocks represent attractive long-term investment opportunities today. Let's take a closer look at each, so you can decide which would be the best fit for your portfolio.

1. Manulife Financial Corp.

Manulife is one of the largest financial services companies in Asia, Canada, and the U.S., and it is the company behind John Hancock Financial, which operates in the U.S.

At today's levels, its stock trades at 11.5 times fiscal 2015's estimated earnings per share of \$1.79 and 10 times fiscal 2016's estimated earnings per share of \$2.06, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 54.3 and the industry average multiple of 23.4.

In addition, Manulife pays a quarterly dividend of \$0.17 per share, or \$0.68 per share annually, giving its stock a 3.3% yield at current levels. Investors should also note that the company has increased its dividend twice since 2014.

2. Sun Life Financial Inc.

Sun Life provides a wide range of protection and wealth products and services in key markets across the world, including Canada, the United States, the United Kingdom, China, Japan, and India.

At current levels, its stock trades at 12.1 times fiscal 2015's estimated earnings per share of \$3.56 and 11.2 times fiscal 2016's estimated earnings per share of \$3.85, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 17.3 and the industry average multiple of 23.4.

Additionally, Sun Life pays a quarterly dividend of \$0.38 per share, or \$1.52 per share annually, giving its stock a 3.5% yield at today's levels. Investors should also note that the company increased its

dividend by 5.6% earlier this year.

3. Industrial Alliance Insurance and Financial Services Inc.

Industrial Alliance is one of the largest insurance companies in Canada, offering a wide range of life and health insurance products, as well as wealth management products and services. It also has operations in the U.S., but this segment only accounts for about 3% of its total business.

At today's levels, Industrial Alliance's stock trades at nine times fiscal 2015's and 2016's estimated earnings per share of \$4.43, which is inexpensive compared with its five-year average price-to-earnings multiple of 14.7 and the industry average multiple of 23.4.

In addition, Industrial Alliance pays a quarterly dividend of \$0.30 per share, or \$1.20 per share annually, giving its stock a 3% yield at current levels. It is also important to note that the company has increased its dividend for two consecutive years.

Which of these top insurance stocks belong in your portfolio?

Manulife, Sun Life, and Industrial Alliance are three of the top value plays in the insurance industry today, and all have the added benefit of dividend yields of 3% or more. Foolish investors should strongly consider beginning to scale in to positions in one of them today.

CATEGORY

1. Dividend Stocks
2. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:IAG (iA Financial Corporation Inc.)
3. TSX:MFC (Manulife Financial Corporation)
4. TSX:SLF (Sun Life Financial Inc.)

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