



3 Top Insurance Stocks to Buy Today

Description

Intact Financial Corporation ([TSX:IFC](#)), **Manulife Financial Corp.** ([TSX:MFC](#))([NYSE:MFC](#)), and **Great-West Lifeco Inc.** ([TSX:GWO](#)) are three of the world's largest providers of insurance 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 determine which would fit best in your portfolio.

1. Intact Financial Corporation

Intact Financial Corporation is Canada's largest provider of home, auto, and business insurance.

At today's levels, its stock trades at just 14.8 times fiscal 2015's estimated earnings per share of \$6.01 and only 13.5 times fiscal 2016's estimated earnings per share of \$6.61, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 15.6 and its sub-industry average multiple of 17.9.

I think Intact Financial's stock could consistently trade at a fair multiple of at least 15, which would place its shares upwards of \$99 by the conclusion of fiscal 2016, representing upside of more than 11% from current levels.

In addition, the company pays a quarterly dividend of \$0.53 per share, or \$2.12 per share annually, giving its stock a 2.4% yield. It is also very important to note that it has raised its dividend for 10 consecutive years.

2. Manulife Financial Corp.

Manulife Financial Corp. is one of the world's largest providers of financial products and services, including life, critical illness, disability, and long-term care insurance.

At current levels, its stock trades at just 12.1 times fiscal 2015's estimated earnings per share of \$1.74 and only 10.2 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 98.7 and its sub-industry average multiple of 23.5.

I think Manulife's stock could consistently trade at a fair multiple of at least 13, which would place its shares upwards of \$26 by the conclusion of fiscal 2016, representing upside of more than 23% from today's levels.

Additionally, the company pays a quarterly dividend of \$0.17 per share, or \$0.68 per share annually, giving its stock a 3.2% yield. Investors should also note that it has raised its dividend for two consecutive years.

3. Great-West Lifeco Inc.

Great-West Lifeco Inc. is one of the world's largest providers of financial products and services, including life and health insurance.

At today's levels, its stock trades at just 12.5 times fiscal 2015's estimated earnings per share of \$2.79 and only 11.8 times fiscal 2016's estimated earnings per share of \$2.96, both of which are inexpensive compared with its five-year average price-to-earnings multiple of 13.1 and its sub-industry average multiple of 23.5.

I think Great-West Lifeco's stock could consistently trade at a fair multiple of at least 13, which would place its shares upwards of \$38 by the conclusion of fiscal 2016, representing upside of more than 9% from today's levels.

In addition, the company pays a quarterly dividend of \$0.326 per share, or \$1.304 per share annually, giving its stock a 3.75% yield. It is also worth noting that it raised its dividend by 6% in February, but this was only its first increase since 2008.

Which of these top insurance stocks belongs in your portfolio?

Intact Financial, Manulife Financial, and Great-West Lifeco are three of the top investment options in the insurance industry today. All Foolish investors should take a closer look at each and strongly consider initiating positions in one of them in the trading sessions ahead.

CATEGORY

1. Investing

POST TAG

1. Editor's Choice

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:GWO (Great-West Lifeco Inc.)

3. TSX:IFC (Intact Financial Corporation)
4. TSX:MFC (Manulife Financial Corporation)

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Date

2025/07/27

Date Created

2015/12/09

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