



1 Insurance Stock Is a Better Buy Than Manulife (TSX:MFC) and Sun Life (TSX:SLF)

Description

Two of the biggest life insurers in the world are **Manulife Financial** ([TSX:MFC](#))([NYSE:MFC](#)) and **Sun Life Financial**. ([TSX:SLF](#))([NYSE:SLF](#)). Both are household names in Canada and globally. In the investing world, they are Dividend Aristocrats. However, a relatively new international specialty insurance provider from Toronto made headline news.

Trisura Group ([TSX:TSU](#)) is a new entrant to the 2021 TSX30 list, a flagship program of the **TMX Group** that showcases the top [growth stocks](#). The \$1.84 billion provider of surety, risk solutions, corporate insurance, and reinsurance businesses ranks number three after **Aura Minerals** and **Shopify**. If you want [high growth](#), this insurance stock is a must-buy.

For income investors

The insurance industry proved resilient during the pandemic. Fast forward to the first half of 2021, and we saw Manulife and Sun Life present glowing financial results. The former reported a 69.5% increase in net income attributable versus the same period in 2020, whereas the latter reported net income growth of 101.9%.

Manulife president and CEO Roy Gori said about Q2 2021, "Our strong momentum continued in the second quarter, as we delivered record core earnings of \$1.7 billion, up 18% from the prior-year quarter." He added it was driven by double-digit growth in the highest potential businesses.

Kevin Strain, the new president and CEO of Sun Life, said the \$41.06 billion company delivered a strong second quarter due to strong momentum in all its four pillars. He credits his predecessor, Dean Connor, for building a solid foundation for the future. Connor was also responsible for the growth in Asia and entry into the alternative asset management arena.

Manulife aspires to become the most digital, customer-centric, global company in the insurance industry. The centre of Sun Life's strategy includes accelerating digital transformation and innovation

across its businesses. The competition between these rivals is intense.

Regarding year-to-date performance, Sun Life (+27.2%) outperformed Manulife (+14.4%). If you're price and dividend conscious, Manulife trades at \$25.16 per share and pays a 4.47% dividend. Sun Life sells for \$70.16 and offers a 3.15% dividend.

For growth investors

Market analysts recommend a strong buy rating for Trisura. At \$43.67 per share, the year-to-date gain is 96.1%. Had you invested \$10,000 on the TSX winner on year-end 2020, your money would be worth \$39,218.68 on October 21, 2021. Analysts' 12-month average price target is \$54.25 (+24.2%), although it could climb to as high as \$58 (+32.8%).

Trisura's total return in the last three years is 563.22% (87.15% CAGR). Manulife and Sun Life delivered 39.05% (11.57% CAGR) and 60.05% (16.94% CAGR). Note that Manulife and Sun Life are mature companies, while Trisura is still in the growth phase.

Like Manulife and Sun Life, Trisura's financial results in the first six months of 2021 are impressive. Total revenues and net income grew 56.3% and 142.1% versus the same period in 2020. The net income growth in Q2 2021 compared to Q2 2020 was 156.4%.

Niche player

Trisura operates in the specialty insurance market; most insurance companies do not write or provide the products and services it offers. Also, since the risks are more complex, it has more pricing and policy form flexibility than traditional market insurers. Thus, the [growth runway is long](#). Expect this niche player to demonstrate scale and profitability, especially its U.S. business.

CATEGORY

1. Dividend Stocks
2. Investing

TICKERS GLOBAL

1. NYSE:MFC (Manulife Financial Corporation)
2. TSX:MFC (Manulife Financial Corporation)
3. TSX:SLF (Sun Life Financial Inc.)
4. TSX:TSU (Trisura Group Ltd.)

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