



Asia Insurance Market Pricing: 2023 Third Quarter

November 2023

Q3 2023 pricing excludes India



Figure 1| Asia composite insurance pricing change by market



Global commercial insurance prices rose 3% in the third quarter of 2023, the same as in the prior quarter. This was the twenty-fourth consecutive quarter in which composite pricing rose, continuing the longest run of increases since the inception of the index in 2012. Increases peaked at 22% in the fourth quarter of 2020.

Composite pricing in Asia was flat in the third quarter (see Figure 1). The index is a proprietary measure of global commercial insurance premium pricing change at renewal, representing the world's major insurance markets and comprising nearly 90% of Marsh's premium.

Regionally, composite pricing for the third quarter was as follows:

- Asia: flat
- US: +4%
- Canada: -1%
- UK: -1%
- Europe: +4%
- Latin America and the Caribbean: +10%
- Pacific: +1%
- India, Middle East, and Africa: +3%

*Note: Beginning in the third quarter 2023, pricing data from India is included in the regional India, Middle East, and Africa (IMEA) section of the Global Insurance Market Index.

Source: Marsh Specialty and Global Placement

Figure 2| Asia property insurance pricing change by market



Property insurance pricing rose 2% in the quarter.

- Markets such as China and Korea experienced nominal rate decreases, although this was offset by pricing increases related to natural catastrophe exposure in the region.
- While most domestic insurers demonstrated a return to profitability in their first half 2023 results, some remained cautious regarding the remainder of the year, given North Asia's recent experience with strong weather patterns late in the third quarter.
- Clients in CAT-exposed geographies faced greater scrutiny from insurers.
 - While inflation continued to ease from the peaks of 2022, insurers remained vigilant on the impact to their portfolios and maintained requests for updated valuations.

Source: Marsh Specialty and Global Placement

Figure 3| Asia casualty insurance pricing change by market

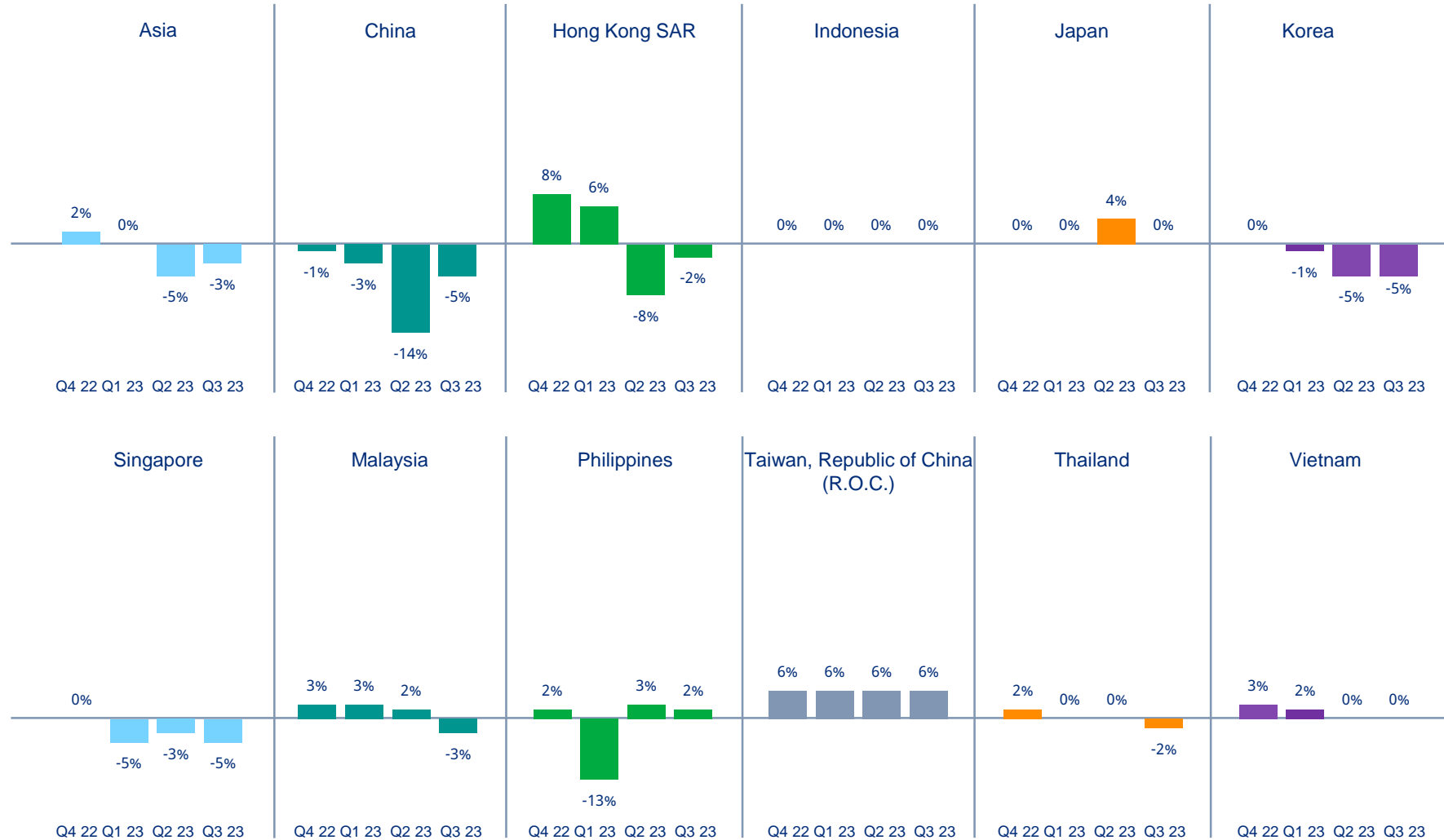


Casualty insurance pricing declined 2% in the quarter.

- Pricing reflected abundant capacity and in-country competition between international and local companies, as well as decreased turnover for many insureds.
- Casualty insurers continued to scrutinize US exposure due to the size of awards and settlements.
- Workers' compensation and auto liability rates were typically competitive across the region, with pricing decreases experienced in a number of markets.
- Issues at top of mind for insurers included per- and poly-fluoroalkyl substances (PFAs); bushfire liability, particularly as the El Niño weather cycle begins; product recall; North American exposure, and the claims inflation environment.

Source: Marsh Specialty and Global Placement

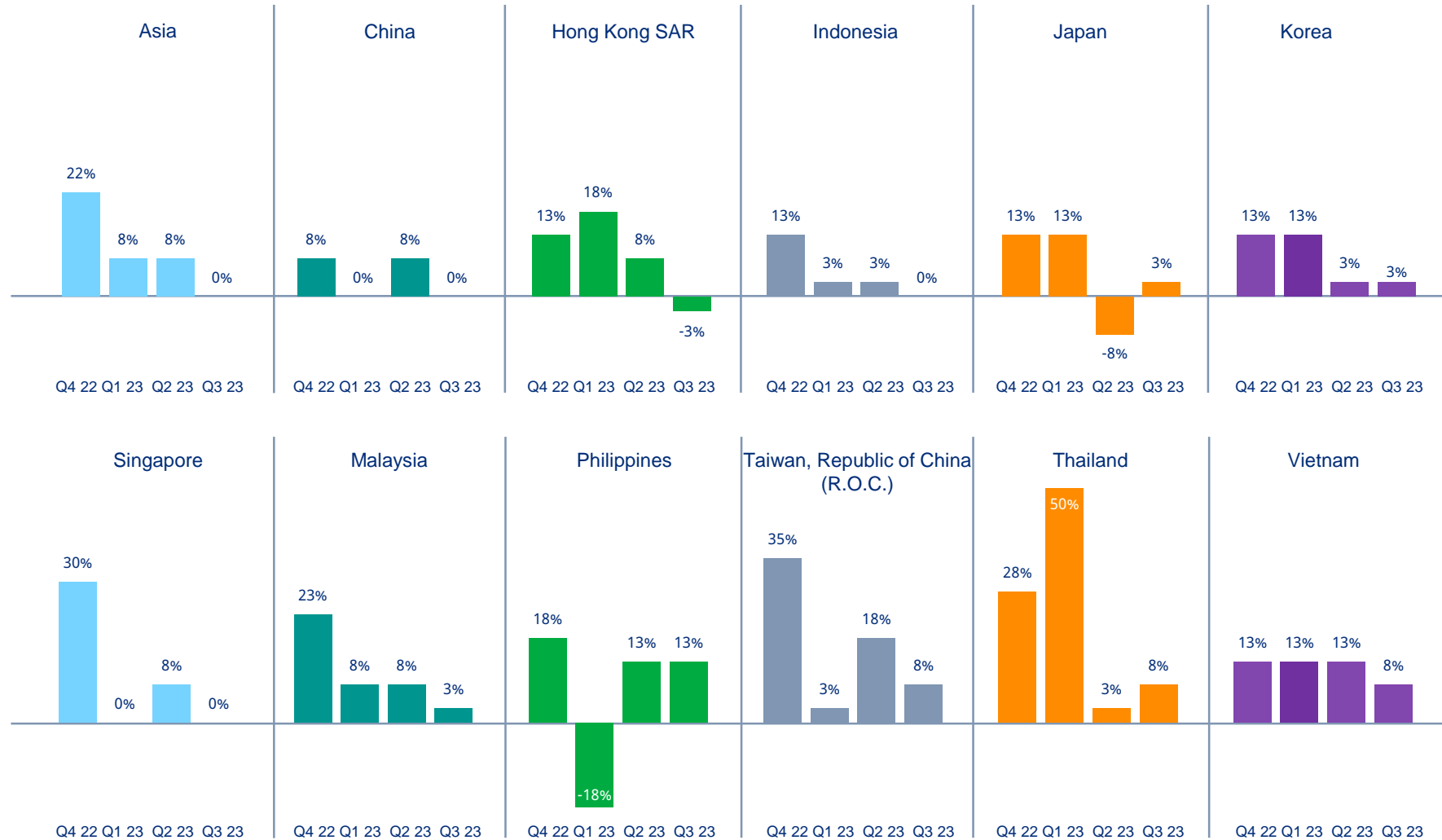
Figure 4| Asia financial and professional lines insurance pricing change by market



Financial and professional lines pricing declined 3% in the quarter.

- Markets in Asia saw D&O rates going down from single to double digits.
- There was increased appetite and capacity available from local markets for US-listed companies, resulting in pricing competition and in many instances, reduced rates.
- Pricing was stable for the financial institution sector, with improved terms and coverages offered by insurers in many cases.

Figure 5| Asia cyber insurance pricing change by market



Cyber insurance pricing was flat in the quarter.

- Cyber rates stabilized as the market's risk appetite and capacity increased.
- Underwriters continued to focus on cybersecurity controls; some coverage areas continued to face greater scrutiny, especially regarding war perils, given current geopolitical tensions.
- Ransomware severity and the sophistication of bad actors continued to increase.
- Data encryption and business interruption were the most impactful loss drivers.

Source: Marsh Specialty and Global Placement



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