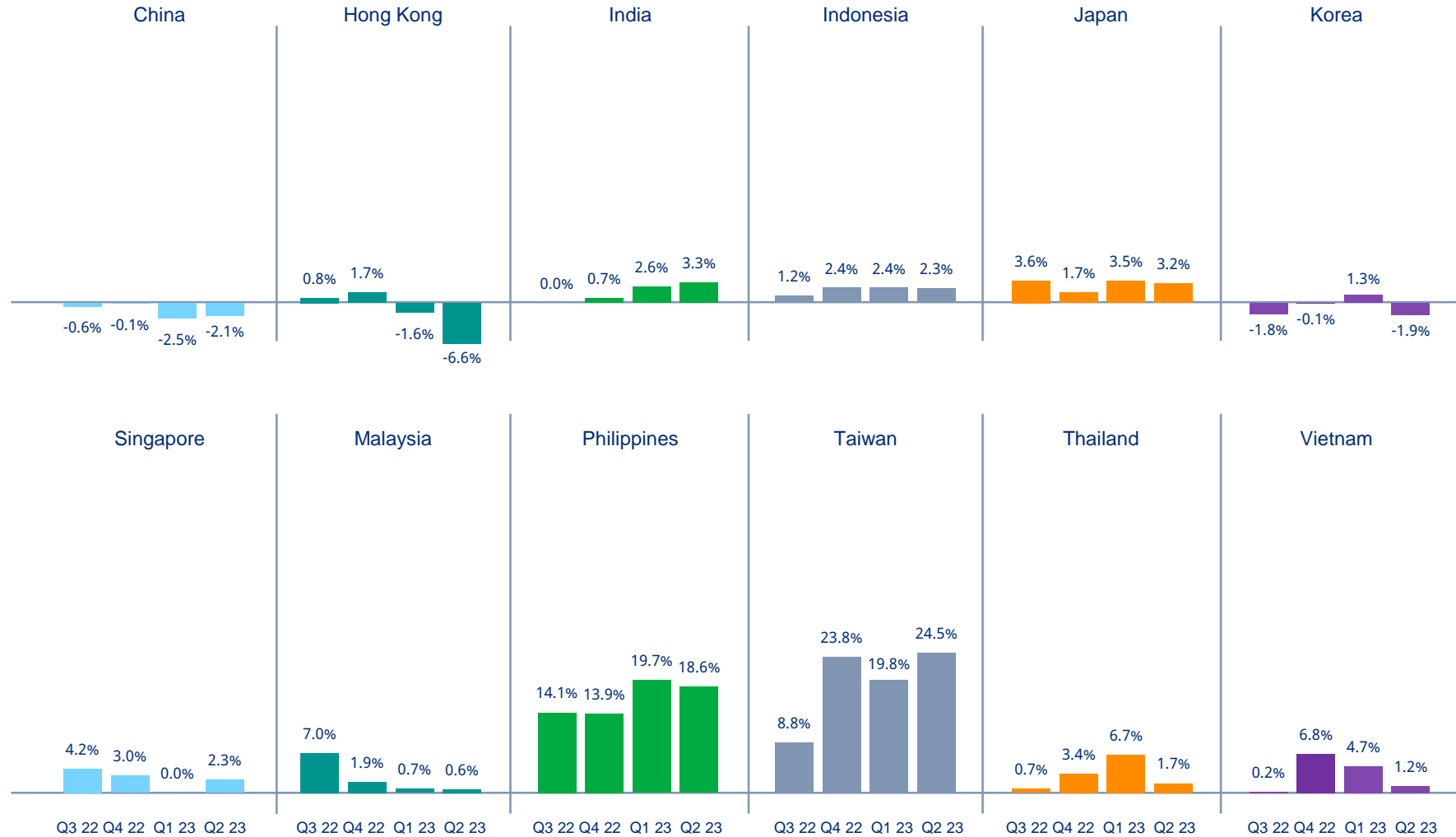


Asia Insurance Market Pricing: 2023 Second Quarter

August 2023



Figure 1| Asia composite insurance pricing change by country



Global commercial insurance prices rose 3% in the second quarter of 2023, compared to 4% in the first quarter. This was the twenty-third 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 second quarter, compared to a 1% increase in the prior 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.

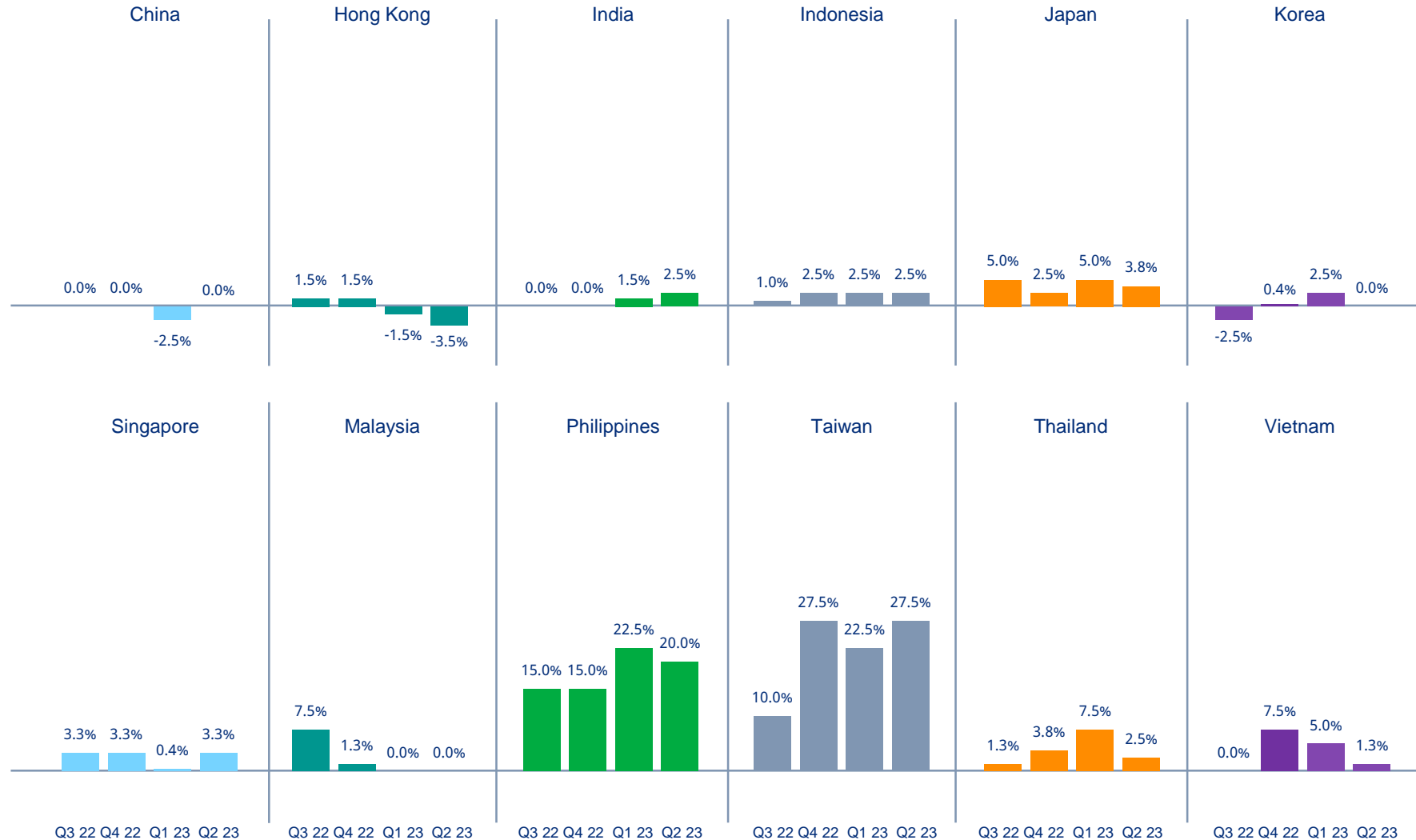
Regionally, composite pricing for the second quarter was as follows:

- Asia: flat
- US: +4%
- UK: +1%
- Europe: +5%
- Latin America and the Caribbean: +8%
- Pacific: +2%

*Note: All references to pricing and pricing movements in this report are averages, unless otherwise noted. For ease of reporting, we have rounded all percentages regarding pricing movements to the nearest whole number.

Source: Marsh Specialty and Global Placement

Figure 2| Asia property insurance pricing change by country

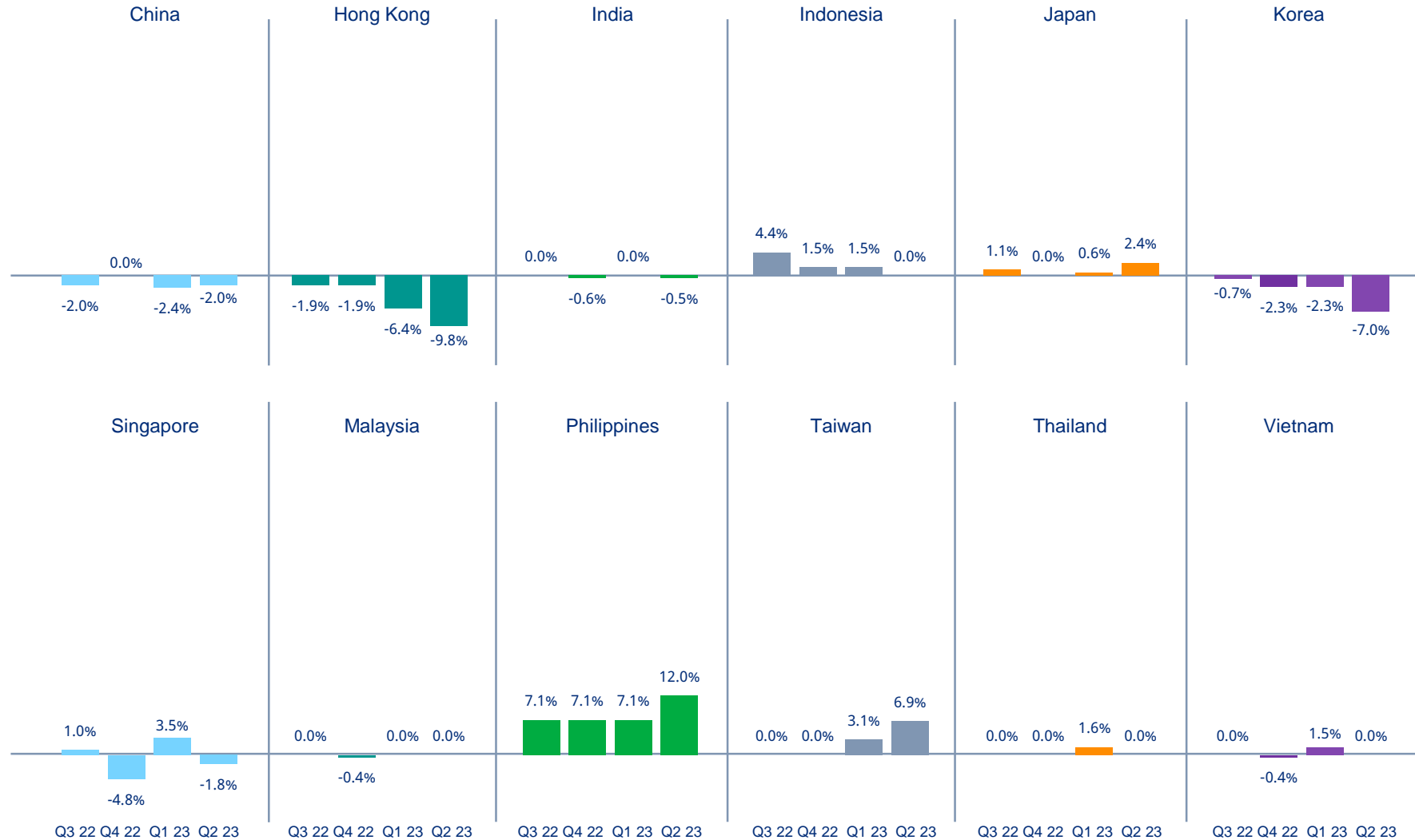


Property pricing increases in Asia increased by 2% in the second quarter, the same as in the prior five quarters, with the exception of Taiwan and the Philippines.

- Domestic market capacity generally remained constant, with some exceptions.
- Both domestic and international insurers generally maintained relationships with clients they perceived as having strong risk profiles; these clients typically achieved favorable outcomes at renewal.
- Challenges remained for higher risk industries, such as mining and food and beverage, and those with adverse loss experience. For such clients it was important to demonstrate to insurers a heightened attention to risk management.
- Insurers continued to closely monitor exposures in natural catastrophe exposed territories; the inflationary environment, typically requesting updated valuations; and contingent business interruption and cyber coverage, restricting terms in some cases.

Source: Marsh Specialty and Global Placement

Figure 3| Asia casualty insurance pricing change by country

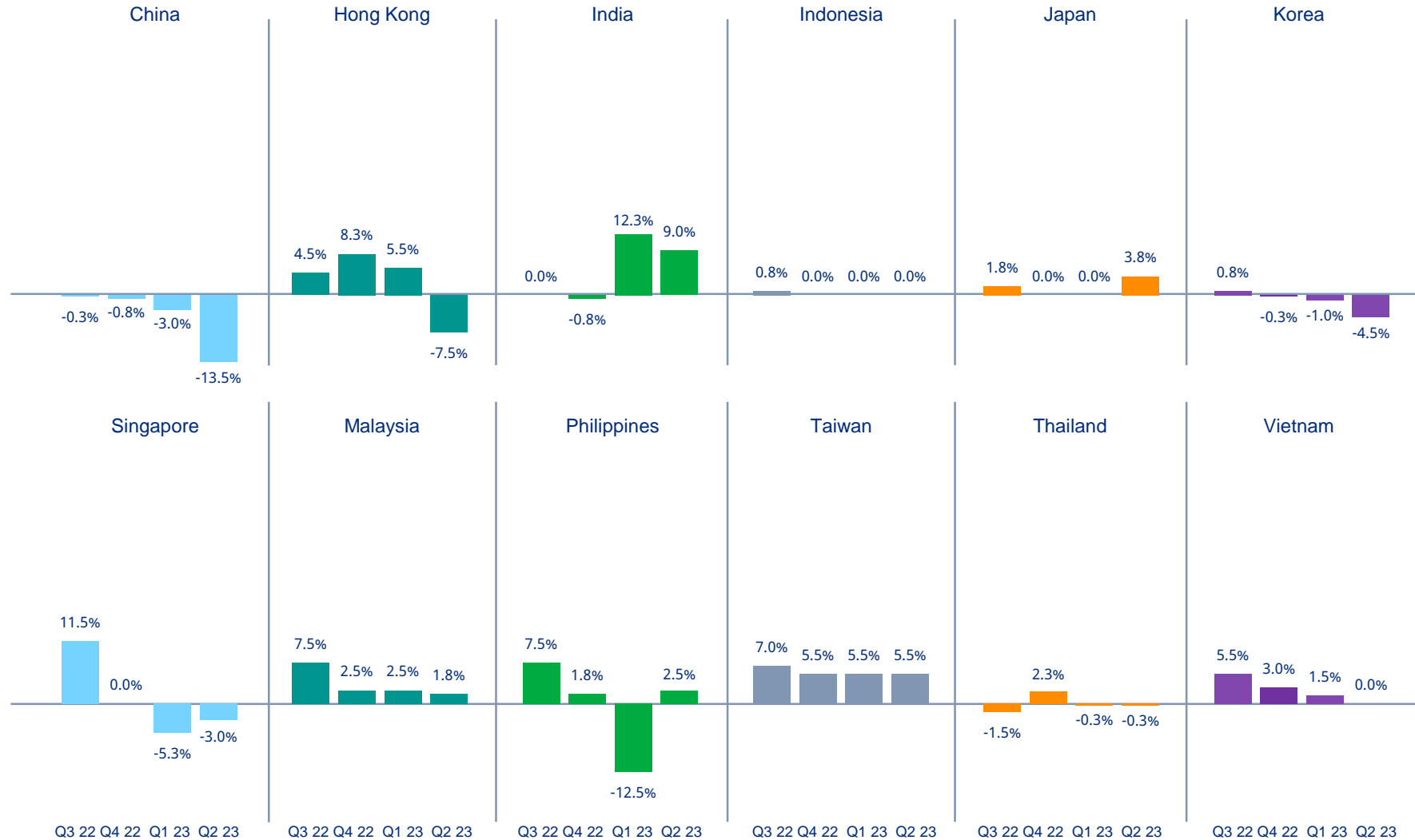


Pricing for **casualty** insurance declined 3% in Asia in the second quarter, compared to a decline of 2% in the prior quarter.

- Increased insurer competition led to significant pricing reductions in some countries and industry segments.
- Pricing trends for workers' compensation and auto liability remained stable, continuing the trend from the prior quarter.
- Insurers remained focused on claims inflation resulting from litigation trends, as well as material cost inflation.

Source: Marsh Specialty and Global Placement

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



Financial and professional lines pricing declined 5% in the quarter, after being flat in the prior quarter.

- Directors and officers (D&O) liability rates continued to decrease in the region overall.
- Increased insurer appetite and capacity for US listed companies was generally available, with improved pricing and reduced retentions.
- Pricing in the financial institution (FI) lines generally declined, aside from the crime policies.

Figure 5| Asia cyber insurance pricing change by country



Cyber insurance pricing generally stabilized, increasing 8% in the quarter, the same as in the prior quarter as new market entrants increased competition.

- Insurer concerns regarding ransomware continued. However, as companies generally improved risk management in this area, there was a reduction in claims frequency.
- Interest in cyber insurance is likely to continue for first-time buyers, driven by such developments as newly implemented privacy regulations in Vietnam and elsewhere.
- Competition from insurers continued to increase, with the introduction of new markets likely in the third quarter.

Source: Marsh Specialty and Global Placement



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