

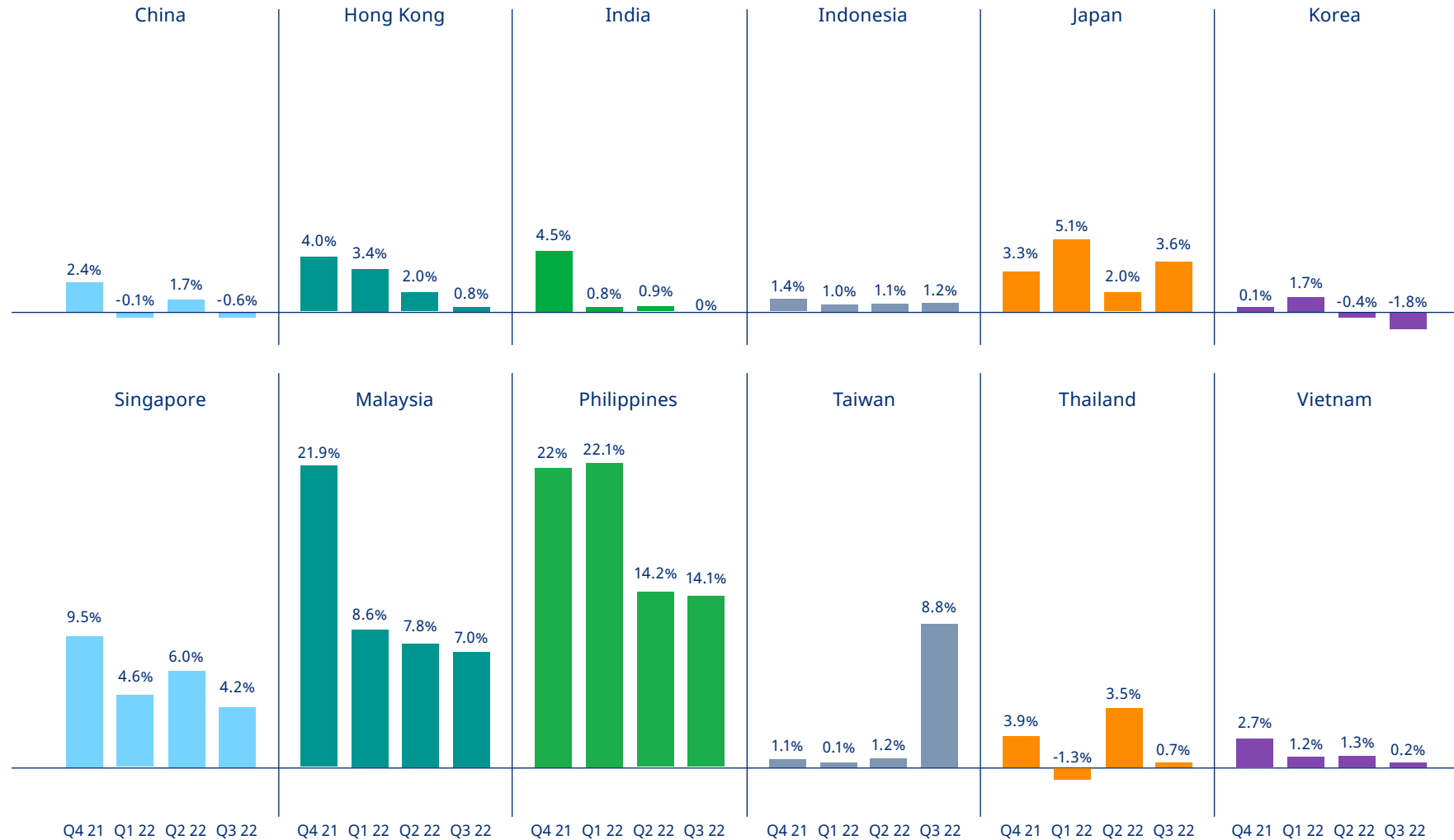


Asia Insurance Market Pricing 2022 Third Quarter Update

October 2022



Figure 1| **Asia composite insurance pricing change by country**



Global commercial insurance prices rose 6% in the third quarter of 2022, marking the seventh consecutive quarter in which the pace of increase moderated.

Asia experienced a 2% increase in composite pricing in the quarter, compared to 3% in the prior quarter (see Figure 1).

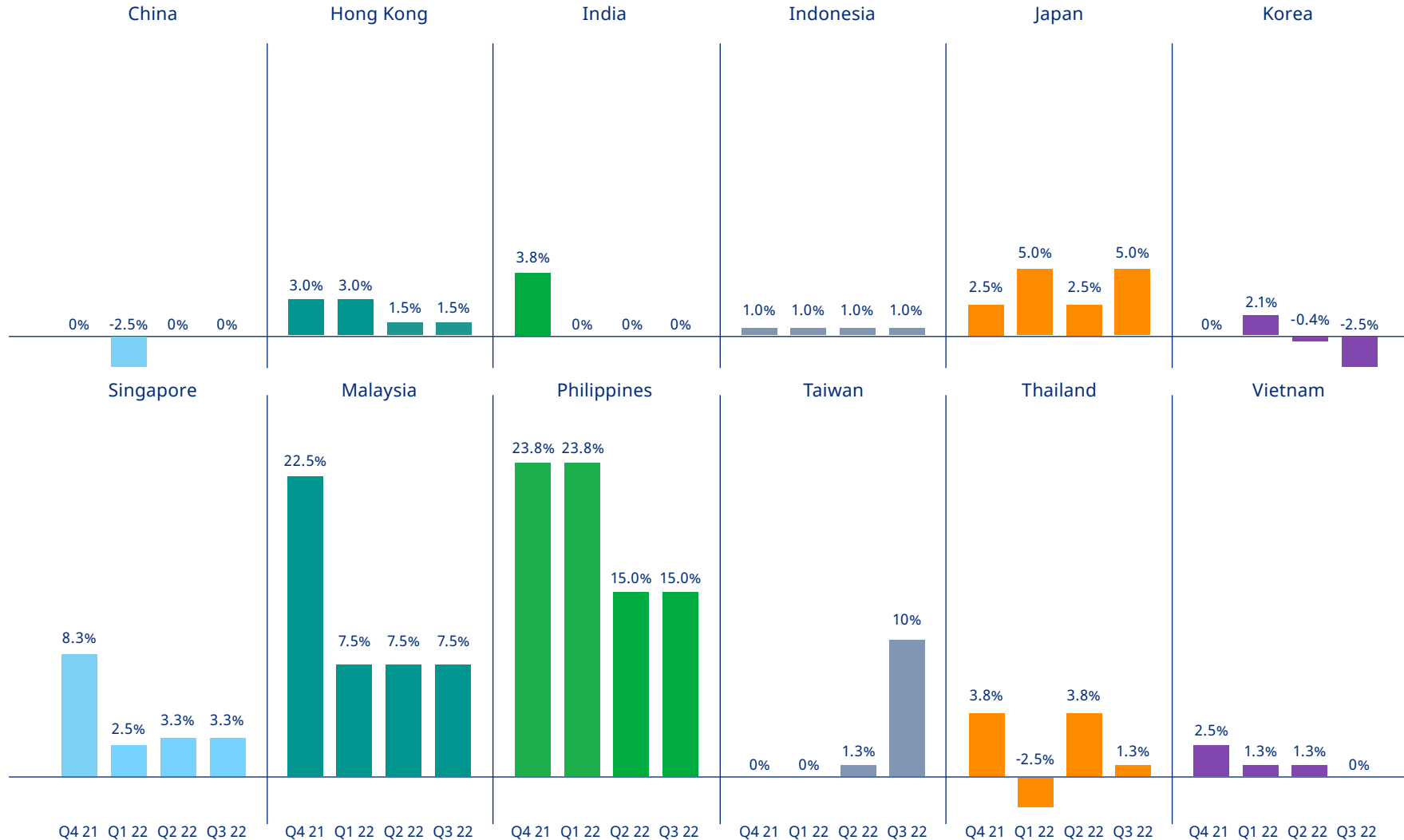
The index is a proprietary measure of global commercial insurance premium pricing change at renewal, representing the world's major insurance markets and comprising nearly 90% of Marsh's premium.

Regionally, composite pricing increases for the third quarter were as follows:

- Asia: 2%.
- US: 6%.
- UK: 7%.
- Continental Europe: 6%.
- Latin America and the Caribbean: 5%.
- Pacific: 5%.

*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.

Figure 2| Asia property insurance pricing change by country

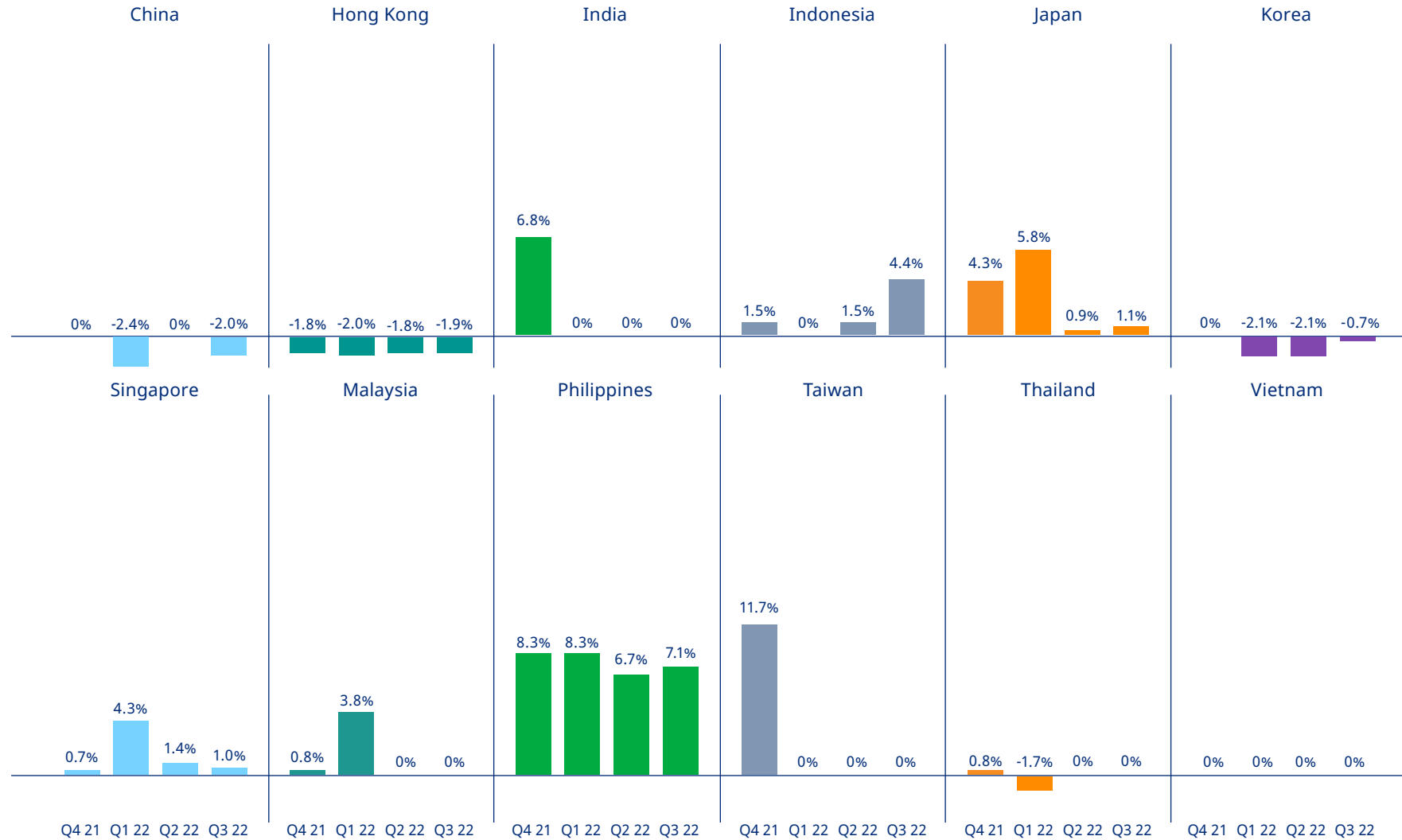


Property insurance pricing rates in Asia rose 2% in the third quarter, the same as in the prior quarter and the sixteenth consecutive quarter of increase (see Figure 2).

- Clients with challenging claims experience or those requiring support from facultative markets continued to see above average pricing increases.
- Natural catastrophe capacity continued to drive pricing.
- Global inflation remained a concern for insurers, with a focus on appropriate declaration of declared values by insureds.
- The political violence market showed signs of contraction, with insurers carefully reviewing their aggregate exposures and pricing adequacy.

Source: Marsh Specialty and Global Placement

Figure 3| Asia casualty insurance pricing change by country

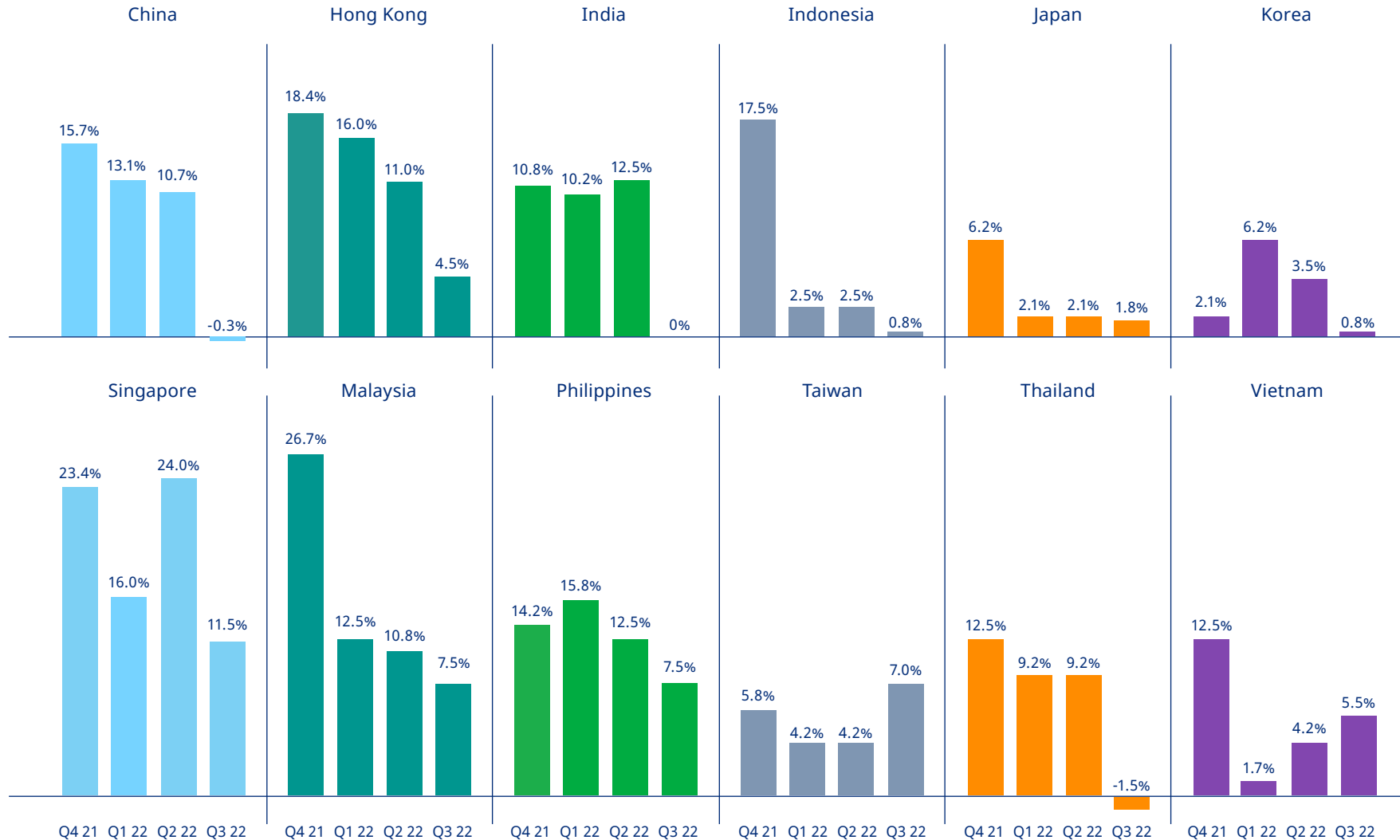


Casualty insurance pricing was flat for the second consecutive quarter (see Figure 3).

- Clients with exemplary claims performance and strong risk management practices typically experienced more favorable renewals.
- Insurers in Asia continued to be selective deploying capacity for challenged industry segments, product recall, and product liability exposure in North America.
- Pricing for automobile liability and workers' compensation typically decreased in the quarter in a number of territories, while holding stable in all others.
- Insurers focused on reviewing and updating policy wordings, including regarding updated sanctions clauses and exclusions associated with per- and polyfluoroalkyl substances ("forever chemicals"), cyber risk, terrorism, punitive damages, and contractual liability.
- Insurers took a stronger position on their environmental, social, and governance requirements, with some reducing or withdrawing support based on the strength of the client's ESG commitment and practices.

Source: Marsh Specialty and Global Placement

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



Financial and professional lines pricing increased 5% in the third quarter, compared to 13% in the second quarter (see Figure 4).

- The pace of rate increases continued to moderate for directors and officers (D&O) liability insurance.
 - Increases in the third quarter were typically in the range of 5% to 10% across Asia.
 - Increases remained generally higher for US-listed/exposed business, as well as those with continuing capacity challenges.
- For financial institutions (FIs), pricing increases moderated in the quarter, and was almost flat for large/complex accounts.
- Professional indemnity (PI) insurers were keen to explore smaller organizations, with customized offerings at competitive rates.
 - Some large and/or complex PI programs, especially from the communications, media, and technology (CMT) sector, experienced average rate increases, ranging from 5% to 10%, due to blended program structures with cyber coverages.

Source: Marsh Specialty and Global Placement



- Insurers were cautious regarding digital-asset related companies due to systemic risks resulting in volatility in asset pricing, which can lead to sharp decreases in value, and a potential number of liquidations.

Cyber insurance remained challenging, with rate increases of 25% or more experienced by some clients.

- Concerns continued regarding claims, systemic risk, geopolitical tensions, and ransomware.
- As in other regions, there were signs in the quarter that the cyber insurance market is stabilizing.



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